2025

SUSTAINABILITY REPORT

Brands Fashion GmbH

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INTRODUCTION

About this report

We publish our sustainability efforts, activities, and goals annually in a publicly accessible sustainability report. This report covers the fiscal year 2025 and was published in August 2026 (English version).

It has been prepared in accordance with the Voluntary Sustainability Reporting Standard for SMEs (VSME). The respective VSME data points are assigned to the corresponding chapters. This is the first sustainability report of BRANDS Fashion GmbH prepared in accordance with the VSME. In previous years, reporting was primarily aligned with the standards of the Global Reporting Initiative (GRI).

In addition, we report in this document on selected topics that go beyond the requirements of the VSME. These serve, in particular, to transparently present our activities and fulfill additional reporting obligations.

As in previous reports, we indicate our contribution to the United Nations' 17 Sustainable Development Goals (SDGs) through appropriate annotations within the report. These annotations serve solely for orientation and do not constitute any evaluation, recognition, or certification by the United Nations. A detailed explanation of the assignment is provided at the end of this report.

Our reporting is guided by the principles of accuracy, balance, clarity, comparability, reliability, and timeliness.

Illustration: Mood image BRANDS Fashion

Editorial Notes

In this report, we use gender-sensitive and inclusive language as much as possible. Institutional designations for companies and organizations are inherently gender-neutral and are used accordingly. For groups of people and individuals, where no gender-neutral formulation is possible, we use the female or male form, which is explicitly understood as gender-independent. We welcome feedback on further developing our language practice.

PREFACE

Dear Readers,

Sustainability continues to evolve. The year 2025 once again demonstrated the dynamic nature of changes in regulatory and societal frameworks. While we prepared at the beginning of the year for reporting under the Corporate Sustainability Reporting Directive (CSRD), adjustments under the so-called Omnibus Package changed the regulatory framework. Therefore, with this report, we are publishing our first sustainability report based on the voluntary VSME standard.

Regardless of regulatory developments, sustainability remains an integral part of our corporate strategy. Responsible supply chains, high-quality products, and long-term partnerships have formed the foundation of our operations for many years. Our goal is to develop solutions together with customers, suppliers, and other partners that integrate ecological, social, and economic requirements.

During the reporting year, we took several important steps. These include, among others, the promotion of responsible purchasing practices, especially during times of economic tension, as well as the first concrete steps toward implementing circular product concepts. At the same time, we were able to further intensify our collaboration along the supply chain and expand dialogue with our stakeholders. This once again confirms our belief that sustainable change is driven primarily by long-term partnerships and joint action.

As a medium-sized enterprise, we see our role as a link between customers and global supply chains. Our scope for action is not unlimited in all areas. This makes it all the more important to make targeted use of the influence we do have, create transparency, and achieve continuous improvements together with our partners.

We understand sustainability not as a one-time project or a nice-to-have, but as an ongoing development process that contributes to the future viability of our business.

We would like to thank all employees, customers, suppliers, as well as our numerous project and cooperation partners. Your commitment and willingness to take new, sometimes challenging paths contribute significantly to further developing our sustainability strategy and advancing responsible business practices in the textile industry.

Thank you, and we hope you enjoy reading our report.

Mathias Diestelmann & Hendrik Lohkemper

Managing Partner / CEO
Managing Director / COO

GENERAL

Basis for Preparation (B1)

Key Corporate and Reporting Figures (VSME paragraph 24)

The present sustainability report has been prepared in accordance with the Voluntary Sustainability Reporting Standard for SMEs (VSME) and includes both the Basic Module and the Comprehensive Module of the standard. It applies exclusively to BRANDS Fashion GmbH and was prepared on an individual company basis. The legal form of the company is a limited liability company (GmbH). No disclosures required under VSME have been omitted due to confidentiality or trade secrets.

According to the NACE classification, the primary economic activity of BRANDS Fashion GmbH falls under sector G 46.42 – Wholesale trade in clothing and footwear.

For the reporting period, BRANDS Fashion reports the following key corporate figures:

Revenue: EUR 71,330,859
Total assets: EUR 40,302,416

The average number of employees during the reporting period was 76.66 full-time equivalents (FTE). The employee count was calculated as an average over the entire reporting period.

The country of primary operations and the location of significant assets is Germany. The geographical position of our company headquarters is shown in the table below.

Location	Address	Postal Code	City	Country	GPS Location
Brands Fashion GmbH	Müllerstrasse 11	21244	Buchholz	Germany	N 53° 21' 10.795", O 9° 51' 53.848"

Table: Location Information BRANDS Fashion GmbH

Figure: BRANDS Fashion GmbH Headquarters in Buchholz i.d. Nordheide

Since 2017, BRANDS Fashion GmbH has been part of the Jebsen & Jessen Hamburg Group.
The family-owned group operates internationally in the business areas of Trading Solutions, Textiles, Garnet Sand, Industrial Services, and Investments, and supports its portfolio companies through centralized Business Services.

Figure: Organizational Chart of Brands Fashion GmbH with Parent and Subsidiary Companies

In 2024, Jebsen & Jessen (GmbH & Co.) KG established a central ESG staff unit to further develop group-wide sustainability management. This unit coordinates cross-group sustainability topics, supports reporting efforts, and accompanies strategic sustainability projects. Additionally, a cross-departmental ESG working group was established, where representatives from various business units and companies, including BRANDS Fashion GmbH, regularly exchange best practices, assess regulatory developments, and advance common sustainability initiatives. Operational implementation and responsibility for the sustainability strategy and measures remain with the respective companies.

BRANDS Fashion utilizes various certifications, industry initiatives, and external assessments to systematically implement sustainability requirements, make progress measurable, and transparently communicate its sustainability performance to business partners and stakeholders.

The standards valid during the reporting year are detailed on the following pages.
The logos shown represent a selection of product certifications, corporate certifications, memberships, and awards utilized by BRANDS Fashion. Each statement applies exclusively to the defined scope of the respective standard or program and does not apply generally to the entire company or all products.

Product and Sustainability Standards

- **EU Organic Certification according to Regulation 2018/848**
  - Certification Body: Gesellschaft für Ressourcenschutz (GfRS)
  - Certificate: DE-ÖKO-039, Validity: 21.10.2024-28.02.2026
- **Cotton made in Africa (CmiA)**
  - License Validity: 01.08.2025-31.07.2026
- **Cradle to Cradle Certified® GOLD**
  - Certification Body: EPEA GmbH – Part of Drees & Sommer
  - Certificate Number: 8430, Validity: 27.09.2024–08.04.2026
- **Green Button**, Level B
  - Certification Body: TÜV NORD, License ID: 44 140 191622
  - Successfully passed Level B on 25.06.2025
  - Certification Period: 25.08.2023–24.08.2026
- **Fairtrade Cotton (since 2016, FLO ID: 34261)**
- **Fairtrade Textile Standard (since 2021, FLO ID: 34261000)**
  - Both certifications are issued by FLOCERT
- **Forest Stewardship Council (FSC)**
  - Certificate Number: C830374CU-COC-01.2023, Validity: 06.03.2023–18.01.2027
- **Global Organic Textile Standard (GOTS)**
- **Global Recycled Standard (GRS)**
- **Organic Content Standard (OCS)**
  - All three certifications are issued by Control Union Certifications under License CU830374 with the validity: 05.02.2025–05.02.2026
- **OEKO-TEX® Standard 100** with a license since 2009
- **OEKO-TEX® MADE IN GREEN** with usage since 2018 (product-group specific, annual renewal)

Figure: Selection of Product and Sustainability Standards BRANDS Fashion

Sustainability Initiatives

Industry Initiatives and Memberships

- Member of **amfori** since 2010
- Member of the **Partnership for Sustainable Textiles** since 2015 (from 2026: "Textile Dialogue")
- Signatory to the **International Accord for Health and Safety in the Textile and Garment Industry**, Validity: 01.03.2024–31.12.2026, with the following country programs:
  - Bangladesh (since 2013)
  - Pakistan (12.08.2024–31.12.2025, continuation in 2026)

Management Systems

- **ISO 9001:2015**
  - Certification Body: TÜV SÜD
  - Certificate Number: 12 100 37882 TMS, Validity: 05.03.2025–04.03.2028
- **United Nations Global Compact (UNGC)**
  - Since 2025 via Jebsen & Jessen (GmbH & Co.) KG

Ratings and Awards

- **EcoVadis** Gold Rating (6th consecutive year)
  - 76/100 points (17.09.2024–17.09.2025)
  - 80/100 points (29.10.2025–29.10.2026)
- **SDG Innovation Award** by the United Nations Industrial Development Organization (UNIDO) for the project "From Field to Fanshop"
  - Award Ceremony: 06.12.2025
- **Business Innovator Award** by the German Institute for Sustainability and Digitalization
  - Award Ceremony: 15.09.2025

Figure: Selection of Sustainability Initiatives BRANDS Fashion

In Practice: Successful Re-Audit under Green Button 2.0, Level B

In June 2025, we successfully passed the re-audit under the state-run textile label Green Button 2.0 at Level B. The audit was once again conducted by TÜV NORD. With the advanced development stage of the standard, requirements for corporate due diligence have increased significantly. Key focus areas include an in-depth risk analysis, systematic implementation of prevention, mitigation, and remediation measures along the supply chain, further development of responsible purchasing practices, and transparent reporting on progress and challenges.

During the audit, particular emphasis was placed on our clear allocation of responsibilities, systematic risk analysis including chemical and wage risks, regular supplier visits, integration of our production partners into training programs, and our transparent reporting. The handling of an active complaint case in Bangladesh at the time of the audit also demonstrated that our grievance mechanisms are effective and applied in practice.

The successful re-audit confirms the continuous advancement of our sustainability management and shows that we systematically integrate rising expectations for corporate due diligence into our processes.

Figure: Green Button Logo

Figure: EcoVadis Gold Medal awarded to BRANDS Fashion (10/2025)

In Practice: EcoVadis Gold Award

In the reporting year, we were awarded the EcoVadis Gold Medal for the sixth consecutive time. With a score of 80 out of 100 points, we again rank among the top 4% of all companies assessed worldwide and among the best 1% in the industry segment 'Manufacture of Clothing'.

EcoVadis is one of the leading international sustainability ratings, evaluating companies based on their performance in the areas of environment, labor and human rights, ethics, and sustainable procurement. For many of our customers, this rating constitutes an important component of their supplier assessment.

Compared to the previous year, we increased our overall score from 76 to 80 points. This improvement was primarily driven by advancements in reporting, key performance indicators, and management systems. For us, the annual assessment is far more than an external rating. It provides valuable impulses for further developing our sustainability management and supports us in continuously reviewing and strategically enhancing our processes.

Gender diversity ratio in the management body (VSME C9)

Gender diversity in the management and/or supervisory body (VSME paragraph 65)

A diverse composition of leadership and decision-making positions contributes, in our view, to varied perspectives, more balanced decisions, and sustainable corporate development. Therefore, we promote equal opportunities regardless of gender or other personal characteristics and apply these principles also when filling leadership positions.

In the reporting year, the executive board consisted of two male managing directors. At the first management level (department heads), four women and four men were employed. Thus, the female-to-male ratio at this level was 1:1.

The appointment to leadership positions is fundamentally based on qualifications, experience, and personal suitability. At the same time, we aim to maintain and further promote diversity in leadership functions over the long term.

Strategy: Business Model and Sustainability – Related Initiatives (VSME C1)

Strategy: Business Model and Sustainability – Related Initiatives (VSME paragraph 47)

Significant Groups of Products and Services (C1, 47a)

BRANDS Fashion GmbH is a B2B company and one of the leading providers of sustainable corporate wear solutions in Europe. Since its founding in 2002, we have developed and distributed high-quality textile products for companies in Europe and the USA.

Figure: Product Assortment BRANDS Fashion

Our product portfolio includes workwear, private-label collections, as well as merchandising and promotional items. This includes, among others, jersey, woven, and knitted garments, outdoor and functional clothing, children's wear, accessories, home textiles, and bags.

As a one-stop solution provider, we accompany our customers along the entire value chain. Our service spectrum ranges from design and product development, sourcing, quality and sustainability management, to global logistics and e-commerce solutions. Our goal is to support our customers with integrated solutions from a single source while linking ecological, social, and qualitative requirements throughout the supply chain. Additionally, digital sales solutions are offered through the joint venture GoJungo. Storage and transport services for customers are provided by BRANDS Logistics.

The company's headquarters are located in Buchholz in der Nordheide (Germany). In addition, our sister company Triton Textiles, together with local teams and partners in sourcing countries, supports collaboration with production facilities and contributes to ensuring quality, social, and environmental standards along the supply chain.

Share of sustainable articles

In 2025, approximately 56% of all procured textile articles carried an recognized sustainability label, matching the previous year's level (2024: 56%). The most important product labels include the Global Organic Textile Standard (GOTS), the Global Recycled Standard (GRS), Fairtrade Cotton, Fairtrade Textile Standard, Made in Green, and the Green Button.

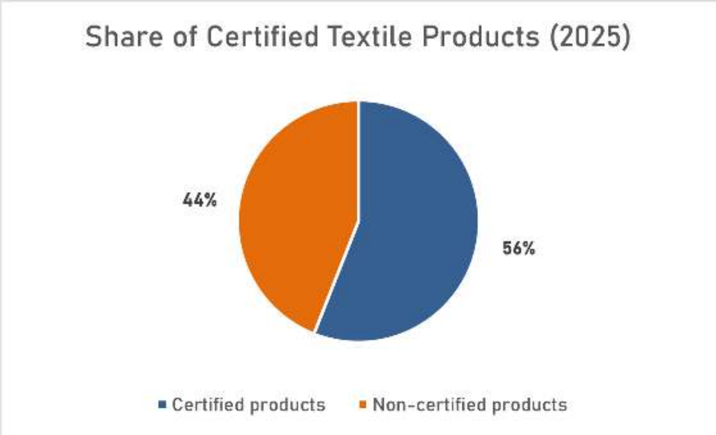
Certified Articles and Customers

Global Organic Textile Standard
In 2025, 84% of all cotton articles containing at least 80% cotton were certified according to the Global Organic Textile Standard (GOTS) (2024: 81%).

By the end of the reporting period, 48 customers sourced GOTS-certified articles from BRANDS Fashion (2024: 54). The decline in the number of customers is attributable to changes in the customer portfolio and does not reflect a reduction in the strategic importance of the standard.

Figure: Share of GOTS articles 2025

Figure: Share of certified articles 2025



Fairtrade Cotton
In 2025, approximately 11% of all cotton articles containing at least 50% cotton were Fairtrade certified (2024: 15%). By the end of the reporting period, 31 customers sourced Fairtrade-certified articles from BRANDS Fashion (2024: 35).

This development is primarily driven by customer-specific demand for Fairtrade-certified products. At the same time, Fairtrade remains a key component of our portfolio and our strategy for responsible cotton sourcing.

Global Recycled Standard
The share of articles containing at least 50% polyester made from recycled polyester decreased slightly during the reporting year from 24% to 19%.

At the same time, the share of polyester articles certified according to the Global Recycled Standard (GRS) increased significantly from approximately 10% in 2024 to 22% in 2025. This trend demonstrates that the use of recycled materials is increasingly linked with independent certification, thereby further enhancing the traceability and credibility of corresponding sustainability claims.

Significant Markets (C1, 47b)

BRANDS Fashion operates exclusively in the B2B sector. Its primary sales markets are located in Europe and the United States. While the business focus remains on the European market, customers in North America are served through a local distribution company.

Figure: BRANDS Fashion Employees at a Customer Meeting

Main Business Relationships (C1, 47c)

Our customers include companies in the food retail sector, drugstore and hardware store chains, sports and football clubs, non-governmental organizations, as well as smaller fashion brands.

Along our global supply chain, we rely on long-term and trust-based partnerships with production facilities and other business partners.
The main sourcing countries during the reporting year were Bangladesh (43%), China and Hong Kong (24%), India (11%), Turkey (3%), and Pakistan (1%). In addition, we sourced finished goods from Germany (15%) and other European countries (3%).

During the reporting year, we maintained business relationships with 59 garment factories. A strategically significant production partner is SAGS Apparels in Tirupur (India), which we supported in establishing a LEED Platinum-certified Green Factory. Furthermore, we collaborate with several local agencies in our sourcing countries. Among other tasks, they assist us with supplier communication, conducting compliance audits, and on-site quality assurance.

Figure: Sourcing Markets 2025

In Practice: India Trip with Our Customers and Project Partners

In January 2025, we traveled together with several customers and project partners to India. The delegation included representatives from football clubs VfB Stuttgart, SV Werder Bremen, VfL Wolfsburg, Eintracht Frankfurt, 1. FC Union Berlin, Hamburger SV, and FC St. Pauli, as well as Fairtrade Germany and the German Corporation for International Cooperation (GIZ).

The journey began with a gathering of all the partners of our project "From Field to Fanshop" in Mumbai. The focus was on exchanging results from the first phase of the project and discussing possible approaches for continuing the project.

Subsequently, we visited the Green Factory of our strategic production partner SAGS Apparels in Tirupur. The factory demonstrates impressively how high environmental and social standards can be implemented in textile production. Additionally, our customers gained insights into various production steps of the supply chain. Visits included knitting mills, dyeing facilities, printing workshops, and other GOTS-certified production sites for cotton bags, towels, caps, and scarves. Direct interaction with people on-site conveyed a realistic impression of the complexity of the textile value chain.

Figures: India Trip in January 2025 with Customers

Participants gained insight into the number of work steps required to transform a cotton fiber into a finished product. At the same time, they directly experienced the challenges and solutions associated with sustainable textile production.

Furthermore, sports and education are integral components of the project. In collaboration with the local non-governmental organization Youth Football Club (YFC) India, we therefore organized a sports festival for employees of our production partners and their families. The event focused on team spirit, fair play, and personal exchange among participants.

The trip strengthened dialogue between BRANDS Fashion, our customers, project partners, and production facilities. Shared experiences on-site fostered transparency, actively promoted mutual understanding, and will strengthen partnerships in the long term. For many participants, direct insight into the supply chain provided a crucial foundation for better contextualizing sustainability requirements and corporate decisions.

17 PARTNERSHIPS FOR THE GOALS

In Practice: Expansion of Sourcing in Pakistan

Following a comprehensive analysis of the sourcing market in Pakistan during 2023 and 2024, we have decided to strategically expand our sourcing activities in this production country. The decision-making process was conducted in close collaboration between the executive board and the departments for Sustainability, Procurement, and Quality Management.

The foundation of this decision was a thorough assessment of potential production partners. In addition to economic criteria, particular attention was paid to analyzing potential human rights and environmental risks along the supply chain.
The results directly informed the selection of suitable production facilities and the planning of necessary preventive measures.

A key milestone was our accession to the Pakistan Accord on Health and Safety in the Textile and Garment Industry in summer 2024. In early 2026, outside the reporting period, we extended our participation, thereby continuing to support industry-wide initiatives to improve building and occupational safety within the Pakistani textile sector.

Parallel to this, we established a support network together with local partners. Teams accompany our production facilities on-site, facilitate communication among all parties involved, conduct quality and compliance audits, and oversee the implementation of agreed-upon improvement measures. In this way, we ensure that our due diligence obligations are systematically considered even as sourcing expands.

Figure: Potential supplier of BRANDS Fashion from Pakistan

Sustainability Strategy (C1, 47d)

The sustainability strategy of BRANDS Fashion is an integral component of our corporate strategy. Its objective is to integrate ecological, social, and economic requirements across the entire textile value chain. Our focus spans from the responsible sourcing of sustainable raw materials and fair, safe production conditions to the development of durable and increasingly circular products.

As a medium-sized B2B enterprise, we view sustainability as a shared responsibility throughout the supply chain. We concentrate on areas where we can make the greatest contribution through our business relationships and collaboration with customers, suppliers, and other stakeholders. For us, sustainability is not an isolated project but a continuous improvement process integrated into our corporate decisions and business processes.

As a company certified under the Green Button 2.0 standard, we regularly have our corporate due diligence obligations assessed by independent audit bodies. At the same time, we utilize sustainability ratings, certifications, and multi-stakeholder initiatives to continuously further develop our management systems and regularly review the effectiveness of our measures.

The core elements of our sustainability strategy are explained in greater detail in the following chapters and include in particular:

- our statement of principles on human rights, labor standards, environmental protection, and integrity,
- systematic risk analysis along the supply chain,
- prevention, mitigation, and remediation measures within the framework of our due diligence obligations,
- responsible procurement practices and long-term supplier development,
- measures for climate, resource, and environmental protection,
- the expansion of sustainable materials and circular product concepts,
- transparent supply chains and effective grievance mechanisms,
- and continuous dialogue with stakeholders and industry initiatives.

Together, these elements form the framework for our sustainability management and the implementation of our corporate due diligence obligations. The following chapters explain the individual components, their practical implementation, and the progress achieved during the reporting year.

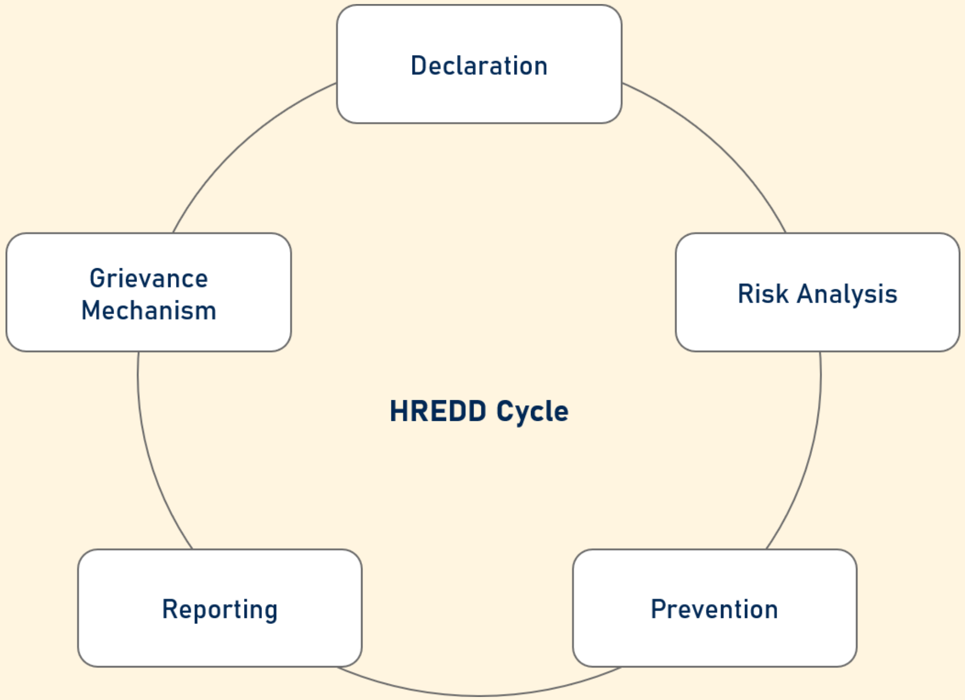


Figure: Due Diligence Cycle according to BMZ (2025): Implementation of Corporate Due Diligence Obligations under the Green Button, p. 5

Statement of Principles

Our Statement of Principles outlines our corporate stance on human rights, environmental protection, and integrity, as well as our expectations for employees, suppliers, and other business partners. It establishes the binding framework for the strategies, objectives, and measures presented in this report.

In the reporting year, the revision process initiated in 2024 was successfully completed. As an addition to the Statement of Principles, a separate Code of Conduct for Employees and a Supply Chain Code of Conduct for our supply chain partners were developed. All documents are publicly accessible and provide a unified orientation framework for responsible conduct within our company and throughout the supply chain.

A key focus in 2025 was the practical implementation of the new requirements. In addition to the formal acceptance of the Supply Chain Code of Conduct by all active supply chain partners, particular emphasis was placed on conveying the content and ensuring its application. The goal was to ensure that our expectations regarding human rights, environmental standards, and ethical business practices are not only documented but also understood and applied by all relevant stakeholders. To this end, various information and training measures were implemented. Employees of BRANDS Fashion were trained in June 2025 on the revised Statement of Principles and the new Code of Conduct, raising awareness of their respective responsibilities. Subsequently, all BRANDS employees digitally confirmed the new Code of Conduct for Employees via the internal HR software. To support understanding, a poster in plain language was also developed. This poster concisely summarizes the key contents of the Statement of Principles and was displayed at both the Buchholz location and the BRANDS Logistics warehouse in Zachow. Additionally, discussions and training sessions were held with suppliers and production partners to explain the new requirements of the Supply Chain Code of Conduct and address questions regarding practical implementation.

The dissemination of content will remain a permanent component of our collaboration with new and existing business partners.

The introduction of the revised Statement of Principles has highlighted important learning experiences. Particularly in countries where new supply chains are being established or legal requirements are less established, formal acceptance of a code of conduct alone is insufficient. A continuous dialogue with business partners is crucial to clarify expectations, understand practical challenges, and enable joint implementation. These insights will increasingly inform our future training, communication, and supplier development initiatives.

We consider the revision of our Statement of Principles an important step in advancing our sustainability management. Going forward, we will regularly review the content and adapt it to new regulatory requirements, findings from risk analyses, and experiences gained from audits, complaints, and stakeholder dialogues.

Figure: Poster Statement of Principles

Risk Analysis

Our risk analysis is based on a multi-stage approach. It covers the entire textile value chain from raw material cultivation to garment manufacturing, as well as our business model and procurement practices. The assessment incorporates country-, sector-, supplier-, product-, and material-specific risks. In addition, we consider insights from stakeholder dialogues, complaints, supplier feedback, and recognized external risk sources such as the freely accessible online tool "MVO Risk Check". The evaluation is conducted based on the severity and likelihood of potential negative impacts. For prioritization, we additionally take into account our potential contribution to causing adverse effects and our ability to influence outcomes. The results form the basis for selecting appropriate preventive, mitigating, and remedial measures. At the same time, they inform strategic decisions, such as supplier selection, material development, and the further advancement of our procurement strategy.

The risk analysis is reviewed at least annually and on an ad hoc basis. Incoming complaints, media reports, natural events, indications from the supply chain, and internally identified deviations are incorporated into the reassessment of risks and, where necessary, lead to adjustments of existing measures.

In addition, we conduct in-depth analyses on selected risk topics. These include, in particular, our biennial wage gap analysis to assess wage levels among our production partners, as well as the risk analysis on per- and polyfluoroalkyl substances (PFAS) carried out for the first time during the reporting year. PFAS is a group of chemicals that, due to their high environmental persistence, is increasingly coming under regulatory focus.

In 2025, we adapted our risk analysis both substantively and methodologically to meet the requirements of Green Button 2.0's advanced development stage B. A key focus was on further developing the prioritization methodology.

Building on the processes and data sources described in the 2024 Sustainability Report, we integrated for the first time the results of an anonymous supplier survey regarding our procurement practices. The additional perspective provided by our production partners expands the information base and has been directly incorporated into the assessment of risks in the procurement area.

Furthermore, we have introduced a differentiated five-level prioritization scale.
It enables a more targeted assessment and focus on the key risks. During the reporting year, particularly issues related to health and safety, excessive overtime, freedom of association and collective bargaining, wages, and greenhouse gas emissions were assigned the highest priority levels 4 and 5.

Prevention, Mitigation and Remediation Measures

Based on the results of our risk analysis, we derive appropriate measures to specifically address prioritized risks and actual negative impacts.We distinguish between preventive, mitigating, and remedial measures. Preventive measures aim to prevent potential negative impacts or reduce their likelihood. Examples include training and workshops for production partners to strengthen awareness of human rights and environmental requirements.

Mitigating measures are implemented where risks cannot be fully avoided. They aim to limit the extent of possible negative impacts. Examples include initiatives promoting circular economy or reducing resource consumption. If negative impacts have already occurred, we implement remedial measures to bring them to an end. Restitution is an integral part of remediation and is directed at the affected individuals or groups. It is guided by their needs and aims to compensate for the consequences incurred to the greatest extent possible. We provide examples of remediation and restitution in the chapter on grievance mechanisms.

Even during the development of our measures, we define how their implementation and effectiveness can be assessed. Where appropriate, we establish qualitative or quantitative Key Performance Indicators (KPIs) for this purpose. We regularly review the development of these indicators, at least annually. In doing so, we assess progress, identify areas for improvement, and continuously enhance our measures. Significant developments and the effectiveness of long-term measures are reported in the respective chapters of this report.

Monitoring of Relevant Incidents

In addition to formal complaints, we capture and evaluate other relevant events in our supply chains. This includes both actual negative impacts and risk events and indications where consequences cannot be definitively proven.

A total of eleven relevant incidents were recorded during the reporting year. These included natural disasters, operational closures, fire incidents, indications of potential labor law violations, and one case of unauthorized subcontracting.Not all incidents were associated with demonstrably occurring negative impacts.

Severe floods in Pakistan led to temporary operational closures at certain production partners. No personal injuries or major damage were reported. Nevertheless, the risk of potential overtime due to lost production time was included in further monitoring.

In a fire incident at a production facility in Bangladesh, the fire was extinguished early by security personnel. No persons were injured. The incident confirmed the importance of functional fire protection systems, regular inspections, and recurring emergency drills. At a Chinese agency, it was discovered that an order had been manufactured in an unapproved production facility without prior coordination. As no valid social audit existed for this facility, it did not meet our minimum requirements. The incident was resolved with the agency, the risk classification was upgraded, and controls over production facilities and inspection documentation were intensified.

The incidents demonstrate that relevant indications do not enter exclusively through formal complaint channels. Media reports, on-site observations, supplier dialogues, and internal controls also serve as important information sources. These feed into our risk analysis, supplier assessment, and the ongoing development of prevention and mitigation measures.

The table below provides an overview of selected cross-risk and risk-specific prevention, mitigation, and remedial measures used to address our prioritized risks.

<table>
<tr><th colspan="4">Working conditions</th><th>Environment</th></tr>
<tr><td>Health & Safety</td><td>Working Hours</td><td>Wages</td><td>Freedom of Association & Collective Bargaining</td><td>Greenhouse Gas Emissions</td></tr>
<tr><td colspan="5">Cross-Cutting Prevention and Remediation Measures</td></tr>
<tr><td colspan="5">Compliance documents requiring commitment to social and environmental requirements through signature</td></tr>
<tr><td colspan="5">Regular factory visits and direct dialogue with production partners</td></tr>
<tr><td colspan="5">Supplier training on various topics</td></tr>
<tr><td colspan="5">Use of certified supply chains (social and environmental criteria)</td></tr>
<tr><td colspan="5">Fftf project: Supporting cotton farmers in the transition to organic farming</td></tr>
<tr><td colspan="5">Comprehensive root cause analysis and targeted measures</td></tr>
<tr><td colspan="5">Internal training for employees on relevant topics</td></tr>
<tr><td colspan="4">Regular audits to verify compliance with social standards</td><td rowspan="4">Support for suppliers in measuring GHG emissions</td></tr>
<tr><td colspan="4">Follow-up of Corrective Action Plans for continuous improvement</td></tr>
<tr><td colspan="4">Strengthening factory-level grievance mechanisms & establishing back-up grievance mechanisms</td></tr>
<tr><td colspan="4">Processing and follow-up of grievances</td></tr>
<tr><td colspan="5">Risk-Specific Prevention and Remediation Measures</td></tr>
<tr><td>International Accord & country programmes in Bangladesh and Pakistan</td><td>Analysis of purchasing practices & promotion of responsible purchasing</td><td>Living wage strategy</td><td>Specific checklists for factory visits</td><td>Long-standing cooperation with the Green Factory (SAGS Apparels)</td></tr>
<tr><td>Checklist for factory visits</td><td>Review of capacities and capacity utilisation</td><td>Promotion of living wages under the Fairtrade Textile Standard</td><td>Promotion of worker representation under the Fairtrade Textile Standard</td><td>Calculation of corporate and product carbon footprints</td></tr>
</table>

Figure: Overview of selected cross-risk and risk-specific prevention, mitigation, and remediation measures based on prioritized risks

Supplier Selection, Evaluation, and Performance Monitoring

Prior to initiating any collaboration, we carefully assess whether a potential production partner meets our quality and sustainability requirements. In addition to traditional procurement criteria such as production portfolio, capacity, technological infrastructure, innovation capability, and specialized expertise, our Sustainability Department conducts a comprehensive compliance review. The basis for this evaluation is a valid and recognized social audit. We take into account identified risks, documented non-conformities, and the company's willingness to consistently implement necessary corrective measures. Furthermore, we review available information regarding potential incidents, such as complaints. Any irregularities are thoroughly evaluated and factored into the decision on whether to enter into a partnership. Our objective is not to collaborate exclusively with production partners that have zero non-conformities; rather, what matters is that challenges are transparently disclosed and there is a clear commitment to implementing sustainable improvements.

Before the first order is placed, all production partners commit to adhering to our social and environmental minimum requirements by signing our Code of Conduct. Approval of new production partners is granted exclusively by the Sustainability Department. During the selection process, this department holds veto power and ensures that sustainability and compliance considerations are given equal weight alongside economic criteria. New production partners are selected only in approved sourcing countries. Before entering a new country, the Executive Board, Procurement, and Sustainability Department jointly analyze country- and sector-specific risks as well as the prerequisites for responsible sourcing. A sourcing country is only gradually approved once we can adequately fulfill our due diligence obligations.

For the assessment of existing supplier relationships, we utilize a company-wide evaluation system that integrates economic, qualitative, and sustainability-related criteria. The annual evaluation considers key performance indicators from procurement, quality assurance, import logistics, and sustainability. Evaluated aspects include, among others, on-time delivery performance, the quality of samples and serial products, adherence to agreed minimum quantities, and various sustainability criteria. These specifically encompass social audit results, implementation of agreed corrective actions, wastewater test results in wet production facilities, suppliers' willingness to provide transparency, and the adoption of recognized sustainability standards and product certifications. Additionally, knockout criteria have been defined, whose occurrence leads to the suspension of a supplier. Required data are predominantly imported automatically from our ERP system and supplemented by the relevant specialist departments as needed.

The results of supplier evaluations form the basis for procurement decisions and the further development of our supplier portfolio. We pursue a partnership-oriented approach. For instance, we support our production partners by contributing to audit and certification costs, providing qualification measures, and accompanying them in implementing corrective actions. Our goal is to expand long-term partnerships with high-performing and sustainably operating suppliers, strategically develop suppliers with growth potential, and responsibly terminate business relationships in cases of persistently inadequate performance.

As a B2B company, we operate between our customers and production facilities. Consequently, the selection of production locations is partially conducted in close coordination with our customers or influenced by their specifications. This limits our scope for managing the supplier portfolio to some extent. Within these framework conditions, we consistently leverage our influence to integrate sustainability aspects into procurement decisions and continuously increase the proportion of high-performing and sustainably positioned production partners.

In the reporting year, production partners accounting for the highest procurement volume, covering approximately 80% of our total procurement volume, achieved an average sustainability KPI of 3.8 on a scale ranging from 1 (low performance) to 5 (high performance). The results are evaluated at least annually and feed into the ongoing development of our supplier management.

Responsible Purchasing

Following intensive engagement by a cross-functional team comprising sustainability, procurement, and management with the Common Framework for Responsible Purchasing Practices (CFRPP) in 2024, BRANDS Fashion began implementing initial measures during the reporting year to further develop its own procurement practices.

A key first step in stakeholder engagement was the inaugural anonymous supplier survey conducted in spring 2025. The online survey targeted our garment manufacturers and agencies, aiming to systematically capture their experiences with our purchasing practices. The questionnaire was based on the CFRPP and covered topics including communication and transparency, order planning and lead times, payment terms and price negotiations, sustainability requirements, partnership-based collaboration, as well as forecasts and capacity planning.

Figure: Five Principles of the CFRPP (own illustration based on CFRPP)

The response rate was 46%. Results were presented and discussed during a workshop on responsible procurement practices within the framework of our Fair Week. A total of 28 employees participated in the workshop, including twelve from procurement, eight from sales, four from the sustainability department, three from quality assurance, and the CEO. The evaluation confirmed, in essential aspects, the findings of the CFRPP analysis conducted in 2024. Our payment terms, communication, and collaborative partnership were rated particularly highly. At the same time, we received concrete indications of potential areas for improvement, which were jointly assessed in the workshop regarding their feasibility.

Participants identified forecasts and cost estimation as the greatest challenges. As a B2B company, we are highly dependent on our customers' needs when it comes to order planning. Consequently, only limited long-term reliable forecasts can be developed. Nevertheless, we continuously work on further developing our planning processes and improving predictability for our production partners.

The numerous positive responses have reinforced our confidence in the approach we have taken so far. At the same time, the survey has provided valuable insights for the further development of our purchasing practices. In the future, it will be conducted regularly and used as an integral part of our due diligence processes.

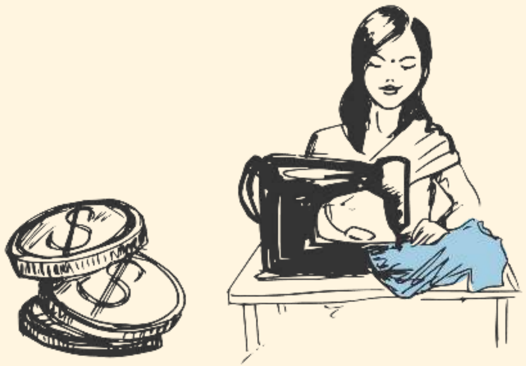
Strategy for Promoting Living Wages

Promoting living wages is a core component of our human rights due diligence and is enshrined in our policy statement. Our goal, within the scope of our influence, is to ensure that workers in our textile supply chains achieve a living income on a sustainable basis. As a B2B company, we pursue a holistic approach that encompasses our purchasing practices as well as collaboration with suppliers, customers, and other stakeholders.

Key priorities of our strategy include continuously improving our purchasing practices, building internal competencies, and systematically analyzing wage data. The aim is to align purchasing decisions more closely with human rights requirements and to foster long-term supplier relationships.

To assess wage levels, we regularly conduct wage gap analyses in our tier 1 facilities. By tier 1, we refer to the final production stage of the end product, typically the sewing facility. Here, we compare the lowest paid wage against both the statutory minimum wage and living wage benchmarks. These assessments are based on living wage calculations for production sites using recognized methodologies, particularly the Anker Methodology, supplemented by reference values from the Global Living Wage Coalition (GLWC) or, alternatively, the Asian Floor Wage or the Fair Wear Wage Ladder. No paid wage may fall below the statutory minimum wage.

During the reporting year, we further deepened our insights into responsible sourcing practices. It became evident that future increases in statutory minimum wages must be more consistently factored into price negotiations. At the same time, it has become clear that close dialogue with our business customers is essential to strengthen awareness of the link between purchasing prices and wages.



An important component of our work is the pilot project implementing the Fairtrade Textile Standard in South India. Since 2019, nominal wages in our partner factory have increased by an average of 63%. Adjusted for inflation, this corresponds to a real wage increase of approximately 21%. However, the project also highlights the limits of our influence. Rising costs, high price sensitivity in the market, and dependence on the purchasing decisions of our business customers make additional wage increases challenging.

Since 2025, we have also been actively engaged in the working group "Living Wages and Responsible Sourcing" of the German Partnership for Sustainable Textiles, which will continue under the name Textildialog starting in 2026. Together with the secretariat, we lead the working group. Exchange with companies, initiatives, and subject matter experts supports us in further developing our strategy and co-creating common solutions. In addition, we systematically incorporate findings from complaints regarding wages and social benefits into our risk analyses and the continuous improvement of our preventive measures.

Our experience shows that promoting living wages is a long-term task that can only be successfully implemented together with suppliers, business customers, employees, and other stakeholders. Therefore, we continuously develop our purchasing practices and dialogue along the supply chain to make an effective contribution to improving incomes in our supply chains within the scope of our influence.

Regulatory Developments and Reporting Framework

The regulatory environment for companies has been evolving dynamically over recent years. As a medium-sized enterprise, we continuously monitor developments at both the European and national levels and assess their impact on our business model, supply chains, and sustainability strategy.

At the beginning of the reporting year, we prepared for future reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD). To this end, essential foundations were already established, including a double materiality assessment and the identification of relevant data points under the European Sustainability Reporting Standards (ESRS). During the year, adjustments within the Omnibus Package of the European Commission led to a reassessment of the scope of application of the CSRD. For the Jebsen & Jessen Group, and thus also for BRANDS Fashion, there is currently no legal obligation to report under the CSRD. In coordination with our parent company, we have therefore decided to continue our reporting based on the VSME standard.

Regardless of regulatory changes, human rights and environmental due diligence obligations remain a central component of our corporate strategy. We continue to supply numerous customers who are subject to statutory requirements such as the German Supply Chain Due Diligence Act (LkSG) or comparable international regulations. Transparent supply chains and reliable sustainability information will therefore continue to be essential components of our collaboration with business partners.

We continuously monitor further development of European legislation within the framework of the European Green Deal. This includes in particular the EU Deforestation Regulation (EUDR) and the Ecodesign for Sustainable Products Regulation (ESPR).

For BRANDS Fashion, we currently expect impacts primarily in the areas of sustainable product requirements, the Digital Product Passport, and certain packaging and paper materials. Since numerous detailed provisions will only be specified through subsequent legislative acts, we are continuously monitoring these developments and proactively preparing our processes for upcoming requirements.

Figure:
Product Development
BRANDS Fashion

Responsible Management Level (VSME C1, Para. 49)

Overall responsibility for sustainability lies with the Managing Board.
Mathias Diestelmann, Managing Partner of BRANDS Fashion GmbH, is responsible for the strategic direction of sustainability management and its integration into corporate governance.

Revenues from Certain Sectors and Exclusion from EU Reference Benchmarks (VSME C8, paragraphs 63–64)

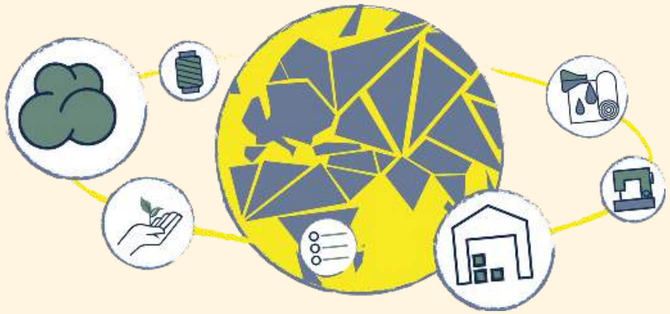
BRANDS Fashion generates no revenue in the critical sectors defined by the VSME guidelines. This specifically includes controversial weapons, tobacco, fossil fuels (coal, oil, natural gas), as well as the production of chemicals (each 0 EUR; 0% share of revenue).

No exclusion from EU benchmarks pursuant to Delegated Regulation (EU) 2020/1818 applies.

Procedures, policies, and future initiatives (VSME B2, paragraphs 15, 26–28)

Information for co-operatives (VSME B2, paragraph 15)

BRANDS Fashion GmbH is organized as a limited liability company (GmbH) and does not operate as a cooperative. Therefore, the additional disclosure requirements for cooperatives stipulated in the VSME, such as member participation in corporate governance or restrictions on profit distribution, are not relevant to our company.



Procedures, policies, and future initiatives (VSME paragraph 26)

For all material sustainability topics, we have established procedures, policies, and management processes. These are publicly accessible, provide the framework for implementing our sustainability strategy, and are guided by defined objectives, responsibilities, and regular reviews.

The covered topics include in particular:

- Climate change
- Pollution
- Biodiversity and ecosystems
- Circular economy
- Own workforce
- Workers in the value chain
- Affected communities
- Consumers and end-users
- Corporate governance

The policy statement constitutes the central guiding document of our sustainability management. To implement our human rights and environmental due diligence obligations, we have established appropriate management processes. These are aligned with the OECD Principles for Human Rights and Environmental Due Diligence (HREDD) as well as legally binding provisions relevant to our company, including the Supply Chain Due Diligence Act (LkSG).

The objective is to systematically identify, prevent, and mitigate potential and actual adverse impacts on human rights, the environment, and corporate integrity. The responsibility for coordination and further development lies with the Sustainability Department.

Description of practices, policies and future initiatives for transitioning towards a more sustainable economy (C2)

Description of practices, policies and future initiatives for transitioning towards a more sustainable economy (VSME paragraph 48)

VSME	---------------- B2 ----------------			------------------------- C2 ---------------------------	
Sustainability Topic	**Existing Practices / Policies / Initiatives**	**Publicly Available**	**Targets in Place**	**Description of Measures**	**Initiatives / Targets**
Climate Change	Yes	Yes	Yes	• Commitment to reducing adverse impacts embedded in the Policy Statement • Selection of materials with a lower carbon footprint, e.g. recycled fibres • Procurement of green electricity at the Headquarter • Own photovoltaic system generates around one quarter of the electricity • Transition of the vehicle fleet to electric and hybrid vehicles • Incentives for sustainable mobility, including subsidies for the Deutschlandticket and JobRad • Support for emission reductions in the supply chain, including through a strategic partnership with a Green Factory • Completion of a project to record Scope 3.1 GHG emissions from purchased goods and services at selected suppliers • Preparation of a Product Carbon Footprint for ten supply chains	• Complete reduction of Scope 1 and Scope 2 emissions by 2045 • Reduction of Scope 3 emissions by 70% compared with the 2016 base year • Successful continuation of the projects listed under measures • SBTi project with a sister company
Pollution	Yes	Yes	Yes	• Commitment to reducing adverse impacts embedded in the Policy Statement • Selection of materials with a lower environmental impact, e.g. organically produced fibres • Certification according to the Global Organic Textile Standard (GOTS) • Environmental requirements in the Supply Chain Code of Conduct regarding wastewater treatment plants, compliance with the ZDHC Wastewater Guidelines and the ZDHC Manufacturing Restricted Substances List (MRSL) for all wet-processing facilities	• Conducting a structured risk analysis for PFC/PFAS-containing finishes based on relevant product categories, identifying potential areas of use of persistent fluorochemicals and deriving priority areas for action to prevent environmental pollution (implemented in 2025) • Conducting internal training on PFAS (implemented in 2025) *Targets for 2026:* • Targeted supplier training on the avoidance of PFAS • Gradual nomination of PFAS-free fabric mills • Long-term reduction and elimination of persistent and hazardous chemicals in the supply chain • Close cooperation with a sister company to further develop the topic in shared supply chains

Description of practices, policies and future initiatives for transitioning towards a more sustainable economy (VSME paragraph 48)

VSME	----------------- B2 ----------------			-------------------------- C2 ----------------------------	
Sustainability Topic	**Existing Practices / Policies / Initiatives**	**Publicly Available**	**Targets in Place**	**Description of Measures**	**Initiatives / Targets**
Water and Marine Resources	Yes	Yes	No	• Commitment to reducing adverse impacts embedded in the Policy Statement • Separate environmental policy in place • Installation of a rainwater collection barrel at the site for watering planted areas • Environmental requirements for production partners in the Supply Chain Code of Conduct, including requirements for wastewater treatment plants • Promotion of recycling technologies (Zero Liquid Discharge, ZLD) for wet-processing operations in Tamil Nadu, India, with a focus on a high-risk region facing increasing water scarcity while water-saving technologies are available • Undyed and recycled collections to reduce water consumption by eliminating dyeing processes	No specific targets currently defined
Biodiversity and Ecosystems	Yes	Yes	No	• Commitment to reducing adverse impacts embedded in the Policy Statement • Selection of materials with a lower impact on ecosystems, e.g. organically produced fibres according to the GOTS standard • Product development using recycled cotton or polyester, thereby reducing the consumption of dyes, chemicals and water in production and reducing impacts on natural water bodies	No specific targets currently defined
Circular Economy	Yes	Yes	Yes	• Commitment to reducing adverse impacts embedded in the Policy Statement • Selection of recycled fibres such as cotton or polyester, including GRS-certified fibres • Certification according to the Cradle to Cradle Certified® Gold standard • Post-industrial recycling project: cotton cutting waste from textile production is recycled into new fibres and returned to the production process • Product development and use in merchandising • Sales support for marketing	• Further development and piloting of recycling approaches for workwear, including post-industrial and post-consumer recycling of cotton and polyester (since 2025) • Systematic recording and assessment of production waste in preparation for fibre-to-fibre recycling processes (since 2025) *Targets for 2026:* • Scaling post-industrial recycling to additional production countries, particularly Bangladesh, and developing a transferable model • Continuation and expansion of existing pilot projects with major customers • Assessment of technical feasibility, product quality and scalability for the long-term implementation of circular solutions and to increase the share of circular raw materials in products

Description of practices, policies and future initiatives for transitioning towards a more sustainable economy (VSME paragraph 48)

VSME	----------------- B2 ----------------			-------------------------- C2 ----------------------------	
Sustainability Topic	**Existing Practices / Policies / Initiatives**	**Publicly Available**	**Targets in Place**	**Description of Measures**	**Initiatives / Targets**
Own Workforce	Yes	Yes	No	• Commitment to reducing adverse impacts embedded in the Policy Statement • Code of Conduct for employees • Process descriptions, guidelines and regular training on occupational health and safety • Regular webinars on health-related topics • Feedback management system for submitting ideas and suggestions	• No specific targets currently defined
Workers in the Value Chain	Yes	Yes	Yes	• Commitment to reducing adverse impacts embedded in the Policy Statement • Supply Chain Code of Conduct for direct suppliers, the deeper supply chain and other partners such as agencies, setting out expectations regarding compliance with internationally recognised labour standards • Monitoring of production partners according to standards such as amfori BSCI by recognised third parties • Use of certified supply chains according to the GOTS standard • Conducting comprehensive risk analyses and mitigation measures • Provision of grievance mechanisms • Green Button certification as confirmation of our commitment to due diligence • Licensee of the Fairtrade Textile Standard, with a focus on fair working conditions and living wages • Support for smallholder farmers as a vulnerable group through the “From Field to Fan Shop” project	• Analysis of our own purchasing practices based on the Common Framework for Responsible Purchasing Practices and development of a long-term action plan for optimisation (implemented in 2025) • Supplier survey on purchasing practices conducted in the 2025 reporting year (implemented in 2025) *Targets for 2026:* • Continued work towards achieving living wages under the Fairtrade Textile Standard • Increased monitoring of deeper supply chain tiers (tier 2) through audits • Planned development of a concept for gender equality in global supply chains • Focus on working conditions in cotton cultivation as part of Phase 2 of the “From Field to Fan Shop” project
Affected Communities	Yes	Yes	Yes	• Commitment to reducing adverse impacts embedded in the Policy Statement • Expectation for suppliers to respect indigenous communities in accordance with the Supply Chain Code of Conduct • BRANDS whistleblower channel open to all potentially affected stakeholders • “From Field to Fan Shop” project specifically supports cotton farmers and children/young people	• Continuation of the “From Field to Fan Shop” project as part of Phase 2 from 2026 onwards

Description of practices, policies and future initiatives for transitioning towards a more sustainable economy (VSME paragraph 48)

VSME	----------------- B2 ----------------			------------------------- C2 ---------------------------	
Sustainability Topic	**Existing Practices / Policies / Initiatives**	**Publicly Available**	**Targets in Place**	**Description of Measures**	**Initiatives / Targets**
Consumers and End-users	Yes	Yes	Yes	• Commitment to reducing adverse impacts embedded in the Policy Statement • Use of the BRANDS Fashion Restricted Substances List (RSL) • Requirement for all suppliers to confirm compliance with these limit values • Regular testing for harmful substances by recognised testing institutes • Use of traceable supply chains through certifications such as GOTS and GRS • Transparency for consumers through the TRACYCLE tool • Annual sustainability report providing information on sustainability efforts • Project in India to improve product quality and durability	• Early preparation for the requirements of the Digital Product Passport (DPP) through structured data collection in selected supply chains and for defined product groups (since 2025) Targets for 2026: • Close monitoring of regulatory developments under the EU Ecodesign for Sustainable Products Regulation (ESPR) • Provision of transparent, reliable and standardised product information for business customers and end-users
Business Conduct	Yes	Yes	No	• Commitment to reducing adverse impacts embedded in the Policy Statement • Expectation for all suppliers to respect data protection, information security and intellectual property rights in accordance with the Supply Chain Code of Conduct • Training for BRANDS employees on corruption in global supply chains in 2024 • Availability of the BRANDS whistleblower system	• No specific targets currently defined

In Practice: 'From Field to Fan Shop' enters its second project phase and receives the SDG Innovation Award

In 2022, together with first- and second-league football clubs, Fairtrade Germany, and the German Agency for International Cooperation (GIZ), we launched the initiative "From Field to Fanshop." The project's objective is to integrate ecological farming, fair supply chains, and social development along the cotton value chain.

The first project phase, completed in early 2025, supported 450 small-scale Indian farmers in transitioning to organic cotton cultivation. Additionally, sports and educational programs were implemented for children and adolescents.

The first project phase demonstrated that long-term market partnerships are a key success factor for transitioning to organic cotton cultivation. It also became evident that measures for income security, climate change adaptation, and strengthening local value creation are necessary to achieve sustainable impact. The effectiveness of implemented measures was evaluated using defined performance indicators. Among other achievements, 450 small-scale farmers were successfully supported in their transition, an average income increase of 7% was achieved, and over 1,000 children and adolescents were supported through sports and educational programs. The results continuously inform the further development of the project.

With the launch of the second project phase, these insights were incorporated, and engagement was strategically advanced. By 2028, a total of 1,650 small-scale farmers are expected to benefit from the transition to more sustainable agriculture. Furthermore, approximately 3,000 children and adolescents will be supported through educational and sports programs, as well as training on gender equality and social competencies.

Figure: SDG Awards Ceremony in December 2025 (© Senate of the Economy Germany)

Further priorities, taking into account feedback from project partners and stakeholders, include promoting livelihood-securing incomes, strengthening climate resilience, empowering women, and establishing a Buying Alliance to further enhance the long-term economic viability and scalability of the approach. The effectiveness of these measures will be regularly reviewed during the project duration based on defined KPIs and used for ongoing project steering.

For this commitment, BRANDS Fashion was awarded the SDG Innovation Award in December 2025. The SDG Innovation Award recognizes companies, projects, and initiatives that make a demonstrable contribution to implementing the United Nations Sustainable Development Goals. The award was presented by Gerd Müller, Director-General of the United Nations Industrial Development Organization (UNIDO) and former Federal Minister for Economic Cooperation and Development.

In Practice: Stakeholder Interviews for Advancing Our Sustainability Strategy

To systematically incorporate external perspectives into the further development of our sustainability strategy, we conducted structured stakeholder interviews during the reporting year. The interview partners selected were Fairtrade Germany and our long-standing production partner, SAGS Apparels.

The interviews were based on a standardized guide and covered central sustainability topics in the textile industry, current challenges and opportunities, as well as perceptions of our sustainability work. We also discussed expectations regarding our future strategy, potential areas of cooperation, and requirements for transparent sustainability communication.

Key Findings

The discussions highlighted that sustainability is increasingly becoming a strategic competitive factor for companies in the textile sector. Particularly relevant aspects identified included climate protection, circular economy, transparent supply chains, and compliance with social standards.

Our production partner, SAGS Apparels, specifically emphasized challenges in implementing climate targets, integrating upstream supply chains, and investing in new technologies. At the same time, it became evident that sustainable production processes can create new market opportunities and strengthen long-term competitiveness.

Fairtrade Germany pointed to the growing importance of regulatory requirements and the ongoing challenge of implementing living wages in global supply chains. Key success factors mentioned included long-term partnerships, capacity building, credible certification systems, and continuous dialogue between companies and production facilities.

Both interviewees rated BRANDS Fashion as a committed and reliable partner. Particular emphasis was placed on the close collaboration with production facilities, open exchange regarding regulatory developments, and joint pilot projects such as circular economy initiatives, digital product passports, and implementation of the Fairtrade Textile Standard.

The interview results confirm our approach to further develop sustainability in collaboration with business partners and other stakeholders. At the same time, they provide important insights for advancing our strategy and measures along the supply chain.

ENVIRONMENT

Energy and greenhouse gas emissions (B3)

The most significant environmental impacts of our company arise along the upstream supply chain. Therefore, our environmental measures focus both on our own business operations and on collaboration with our production partners. In the following chapters, we provide information on relevant environmental data.

Energy consumption (VSME paragraph 29)

In the reporting year, the total energy consumption of BRANDS Fashion GmbH at its corporate site in Buchholz amounted to 139,082 kWh. Of this, 26,158 kWh were from purchased electricity, 7,820 kWh from self-generated solar power, and 105,105 kWh from natural gas used for heating the office building. A detailed breakdown by energy source can be found in the table below.

Breakdown of Energy Consumption	Electricity	Self-generated Electricity	Fuels
Non-renewable energy	0 kWh	0 kWh	0 kWh
Total renewable and non-renewable energy	26,157.5 kWh	7,819.8 kWh	105,105.16 kWh

Table: Energy Consumption 2025

To reduce our energy consumption and associated greenhouse gas emissions, we are implementing various measures. These include procuring certified green electricity and green gas, as well as generating our own electricity via a photovoltaic system installed on the roof of our office building.

The photovoltaic system was commissioned in 2023 and has a capacity of 98 kWp. In the reporting year, it covered approximately 5.6% of the site's energy consumption. Compared to exclusive grid electricity procurement, this resulted in the avoidance of approximately
3.34 t CO_2e.

Greenhouse gas emissions (VSME paragraph 30)

We report our greenhouse gas emissions annually in accordance with the Greenhouse Gas Protocol (GHG Protocol). The basis for the inventory comprises activity data from our own business operations as well as data along our value chain. Data collection and quality assurance are coordinated by the sustainability department. The accounting is carried out via the ENVORIA software platform and is also incorporated into the sustainability reporting of the Jebsen & Jessen Hamburg Group.

In the reporting year, BRANDS Fashion GmbH emitted 44.84 t CO_2e in Scope 1, 12.33 t CO_2e in Scope 2 according to the location-based method, or 0 t CO_2e according to the market-based method, and 52,458 t CO_2e in Scope 3.

By far the largest portion of our greenhouse gas emissions falls under Scope 3. Approximately 99% of total emissions occur outside our own business operations, particularly through purchased goods and services along our upstream and downstream supply chains. This distribution is typical for companies in the textile industry and highlights that the greatest leverage for emission reductions lies within the supply chain. For this reason, many of our climate protection measures focus on collaboration with production partners, the selection of sustainable materials, and the further development of our procurement processes.

The estimated gross greenhouse gas emissions for the reporting year are presented in the following tables in accordance with the GHG Protocol (Version 2004). All values are expressed in tonnes of CO2e.

Estimated Greenhouse Gas Emissions	Scope 1	Scope 2 Location-based	Scope 2 Market-based	Total (Scope 1 + 2 Location-based)	Total (Scope 1 + 2 Market-based)
Currently reported	44.84 t	12.33 t	0 t	57.17 t	44.84 t

Table: Greenhouse Gas Emissions 2025 (Scope 1 + 2)

Consideration when reporting on GHG emissions under B3 (Basic Module) (paragraph 50)

The supplementary module expands reporting to include disclosure of Scope 3 emissions as well as total emissions including Scope 3. All values are expressed in tonnes of CO2e.

Estimated Greenhouse Gas Emissions	Scope 3	Total (Scope 1 + 2 Location-based + Scope 3)	Total (Scope 1 + 2 Market-based + Scope 3)
Currently reported	52,458.00 t	52,515.17 t	52,502.84 t

Table: Greenhouse Gas Emissions 2025 (Scope 1–3)

Figure: Mood Image BRANDS Fashion

Greenhouse Gas Intensity (GHG Intensity) (VSME paragraph 31)

Greenhouse gas intensity relates greenhouse gas emissions to the revenue of the reporting year. It serves as a key performance indicator to assess emission trends independent of company size and business volume.

The table below presents greenhouse gas intensity based on location-based Scope 1 and Scope 2 emissions, as well as total emissions including Scope 3.

GHG Intensity (Scope 1 + Scope 2)	0.00080 t CO_2e / EUR thousand revenue
Total GHG Intensity (Scope 1 + Scope 2 + Scope 3)	0.73622 t CO_2e / EUR thousand revenue

Table: Greenhouse Gas Intensity 2025

GHG Reduction Targets and Climate Transition (C3)

Our climate targets are based on the baseline year 2016. By 2045, we aim to fully reduce our Scope 1 and Scope 2 emissions and decrease Scope 3 emissions by 70% compared to the baseline year.

Our greenhouse gas emissions are recorded annually, compared against defined climate targets, and evaluated. The results inform the further development of our climate strategy and the prioritization of additional emission reduction measures. We report annually on our emissions, climate targets, and progress in our sustainability report as well as to external stakeholders, including through the Carbon Disclosure Project (CDP).

Illustration: Mood image BRANDS Fashion

CDP
Discloser
2025

Illustration: CDP 'Discloser' logo 2025 from BRANDS Fashion

In Practice: B-Rating in the Carbon Disclosure Project (CDP)

In the 2025 reporting year, BRANDS Fashion achieved a B-rating again in the Carbon Disclosure Project (CDP) sustainability assessment. This confirmed the rating level reached in the previous year, following a continuous improvement over recent years (2022: D, 2023: C, 2024: B).

The CDP evaluates the transparency of climate reporting as well as the management of climate-related risks and opportunities. For BRANDS Fashion, participation serves as an important instrument for advancing climate management while simultaneously enhancing transparency with customers and other stakeholders.

THG Reduction Targets (VSME Sec. 54)

The target values for reducing greenhouse gas emissions, as well as the baseline values from the base year, are presented in the table below.
The figures represent tons of CO_2e.

Estimated Greenhouse Gas Emissions	Scope 1	Scope 2 Location-based	Scope 2 Market-based	Total (Scope 1 + Scope 2 Location-based)	Total (Scope 1 + Scope 2 Market-based)	Scope 3	Total (Scope 1 + 2 Location-based + Scope 3)	Total (Scope 1 + 2 Market-based + Scope 3)
Base year	147.36 t	58.9 t	52.96 t	206.26 t	200.33 t	46,040.75 t	46,247.01 t	46,241.07 t
Target year	0 t	0 t	0 t	0 t	0 t	13,812.22 t	13,812.22 t	13,812.22 t

Table: THG Reduction Targets

Measures for Emission Reduction

To achieve our climate goals, we implement measures both within our own business operations and throughout our supply chains.
At our corporate location, key contributions to reducing greenhouse gas emissions include our photovoltaic system, the procurement of certified green electricity and gas, increased use of recycled paper, and our hybrid working model.

In the area of mobility, the company fleet has been gradually converted to hybrid and electric vehicles. During the reporting period, six electric vehicles were already available. Based on total mileage driven, 28.2% of kilometers were covered using electric power, resulting in savings of approximately 3,822 liters of fuel. Additionally, we promote climate-friendly mobility for our employees through subsidies for the Deutschlandticket and the option of remote work. Thanks to the hybrid working model, 21.6 tons of CO_2e were saved during the reporting period. This corresponds to approximately 35.9% of total emissions from employee mobility.

Figure: Charging options for electric vehicles at BRANDS Fashion

We see our supply chain as the primary lever for emission reduction. Therefore, we continuously increase the share of sustainable materials such as organic cotton and recycled polyester, develop circular product concepts, and preferentially collaborate with production partners that implement energy-efficient technologies or utilize renewable energy. An example of this is our strategic partnership with a LEED-certified Green Factory in India. Furthermore, our project "From Field to Fanshop" supports the expansion of climate-resilient and lower-emission supply chains by promoting ecological cotton cultivation.

The remaining emissions from natural gas consumption are currently offset through Gold Standard-certified climate protection projects via our energy provider. Additionally, BRANDS Fashion GmbH, as part of the Jebsen & Jessen Group, participates in group-wide climate protection measures to offset residual Scope 1 and Scope 2 emissions. During the reporting year, the corporate group supported the rewetting of the Grotmoor peatland in Segeberg district (Schleswig-Holstein, Germany). Through this project, a total of 376 tons of CO_2 emissions from the group's Scope 1 and Scope 2 balance, including those of BRANDS Fashion GmbH, were offset.

In addition to greenhouse gas sequestration, the rewetting of degraded peatlands contributes to biodiversity conservation, improved water balance, and long-term climate protection.

Verification of Target Achievement

The effectiveness of our climate protection measures is reviewed annually based on the greenhouse gas balance. The results are compared against the defined climate targets and serve as a basis for further developing our climate strategy. At the same time, we identify additional reduction potentials along our value chain based on emission data. Our progress is regularly assessed and disclosed within the framework of external sustainability evaluations.

Transition Plan (VSME paragraph 55)

Since approximately 99% of our greenhouse gas emissions occur in upstream and downstream supply chains and our direct influence on these emissions is limited, BRANDS Fashion GmbH does not yet have a formally adopted transition plan within the meaning of the VSME.

In the course of further developing our climate management and implementing future requirements of the Green Button label, an appropriate plan will be developed. The defined climate targets form an important foundation for this. Adoption is scheduled no later than 2028.

Climate risks (C4)

Climate-related hazards and transition events (VSME paragraph 57)

The key climate-related risks for BRANDS Fashion arise along the global value chain. As an international trading company with a focus on textile supply chains, we are exposed to both physical climate risks and transition risks related to climate change.

In the short term, extreme weather events such as floods or heatwaves represent significant physical climate risks. In the medium to long term, rising temperatures and water scarcity are becoming increasingly important, particularly for the cultivation of cotton and other natural fibers.

Key transition risks include stricter regulatory requirements in climate protection, increasing expectations from customers and other stakeholders, and growing demand for lower-emission materials and production processes.

Potential Adverse Effects of Climate Risks (VSME paragraph 58)

The described climate risks can affect the availability of key raw materials and the economic development of BRANDS Fashion. Possible consequences include supply shortages, delivery delays, rising raw material and procurement costs, and additional investments in materials, technologies, and supply chains. Furthermore, regulatory developments and changing market requirements may necessitate adjustments to procurement strategies and existing business processes. Overall, these developments can impact our cost structure and the stability of our supply chains.

Illustration: Wastewater treatment at a supplier of BRANDS Fashion

Pollution of Air, Water and Soil (B4)

Pollution of Air, Water and Soil (VSME paragraph 32)

Due to our non-manufacturing business model, no significant emissions or pollutants enter the air, water, or soil at our corporate locations. Instead, the main potential environmental impacts of our business activities arise in upstream production stages of the textile supply chain, particularly in wet processing, such as bleaching, dyeing, and finishing of textiles.

Therefore, our measures focus primarily on effective environmental and chemical management in production facilities. The goal is to continuously reduce the use of chemicals that pose environmental and health hazards, as well as to optimize material, water, and energy consumption in production processes. The basis for this is provided by the requirements of the Zero Discharge of Hazardous Chemicals (ZDHC) Initiative. We require our wet production sites to comply with the ZDHC Manufacturing Restricted Substances List (MRSL) and the ZDHC Wastewater Guidelines, which define requirements for chemical usage and the quality of discharged wastewater and exceed statutory minimum standards.

Since 2020, we have utilized the digital platform BHive to monitor our chemical management. Following its acquisition by Worldly, this system continues to be employed. Through this platform, we record and assess the chemicals used in our wet processing facilities for compliance with the ZDHC MRSL. During the reporting year, the scope was expanded to include 22 wet processing sites in Bangladesh, China, and India. In total, 2,693 chemicals were recorded, of which approximately 85% could be verified as compliant with the MRSL.

In addition, we conduct regular risk assessments regarding chemical management. These assessments evaluate, among other factors, the use of chemicals, material, water, and energy consumption, as well as the performance of wastewater treatment facilities. The results inform the further development of our production processes and support the gradual replacement of critical chemicals with less hazardous alternatives for both the environment and human health.

Figure: Chemical Management at a Supplier of BRANDS Fashion

To identify risks at an early stage and derive appropriate improvement measures, we are developing internal tools for chemical traceability and for assessing wet processing facilities. Selected supply chains of our partners also participate in decarbonization and environmental management initiatives under the Fairtrade Net Zero Project in India. Beyond improving energy efficiency, the project encompasses measures for responsible chemical management.

Biodiversity (B5)

Land Use (VSME Sec. null)

- Total land consumption: 981 m^2
- Total sealed area: 828 m^2
- Total near-natural area at our site: 153 m^2
- Total near-natural area outside our site: 0 m^2

Due to our non-manufacturing business model, the direct impacts of BRANDS Fashion GmbH on biodiversity and ecosystems are essentially limited to our administrative location in Buchholz in der Nordheide. To promote local biodiversity, we have implemented various measures there. These include the installation and maintenance of nesting boxes for birds and bats, as well as a wild bee hotel, in accordance with recommendations from the German Society for Nature Conservation (NABU). These nesting aids create additional habitats for native species and enhance biological diversity within our company premises.

Furthermore, we consider biodiversity aspects throughout our supply chain. By increasing the use of certified organic cotton, we support cultivation systems that avoid synthetic pesticides and fertilizers, thereby contributing to the protection of soils, water bodies, and biodiversity.

Water (B6)

Water abstraction (VSME Para. 35) and Water Consumption (VSME Para. 36)

In the reporting year, water abstraction at our corporate site amounted to 402.3 m^3. As BRANDS Fashion is not a manufacturing company, water is used exclusively for office and sanitary purposes. No water-intensive production processes take place at this location. There was no water abstraction in areas with high water stress. Furthermore, no water from production processes was discharged into natural water bodies.

By implementing a rainwater harvesting system, we promote responsible management of water resources. The rainwater collected since 2024 is used for irrigating green spaces, thereby replacing drinking water at these locations.

The most significant water-related impacts of our business activities arise in upstream production stages of the textile supply chain, particularly in wet finishing. Therefore, our measures focus on reducing water consumption in production processes, promoting closed-loop water use, and minimizing pollution loads on natural water bodies.

To this end, we work together with our production partners to implement water-saving technologies and production methods. These include, among others, Zero Liquid Discharge (ZLD) systems, which return treated wastewater back into the production process. In addition to supporting organic cotton, we promote resource-efficient product concepts such as our Undyed Recycled Collection, where water consumption can be significantly reduced by eliminating conventional dyeing processes.

Illustration: Wastewater treatment at a supplier of BRANDS Fashion

Resource Use, Circular Economy and Waste Management (B7)

Circular Economy (VSME Para. 37)

Circular Economy and Sustainable Product Development

The principles of circular economy are gaining increasing importance in the textile industry. Rising volumes of textile waste, high resource consumption, and regulatory developments are raising demands for circular product concepts. Against this backdrop, we have been integrating circular approaches into our business model for several years.

Within the framework of our Design4Circularity strategy, we consider the entire product lifecycle as well as potential second-life and recycling options already during product development. Where technically and functionally feasible, we prioritize monomaterials or material combinations with the highest possible purity. Material composites and additional components are reduced to the necessary minimum to facilitate subsequent material recovery. These principles are increasingly also applied to packaging solutions. In terms of material selection, we prefer recycled and certified materials, for example in accordance with the Global Recycled Standard (GRS).

Figure: Re_Source collection BRANDS Fashion

From our perspective, a key component of sustainable product development is product durability. Maximizing the service life reduces resource consumption over the entire lifecycle and decreases the need for new production. Through appropriate material selection, high-quality workmanship, durable designs, and product-specific care instructions, we strive to ensure that our products meet their respective requirements for as long as possible. Verification is carried out by our internal quality management department.

In addition to durability, the safety of end users holds the highest priority. Product-specific testing is conducted internally on a risk-based approach, by local quality teams, and through external testing laboratories. Our Restricted Substances List (RSL), recognized standards such as GOTS or OEKO-TEX® STANDARD 100, and product-specific legal requirements form the basis for these assessments. A continuing challenge lies in evaluating the actual service life of our products. Together with our customers, we aim to further enhance our understanding of the usage phase and integrate the resulting insights more strongly into future product development.

In the reporting year 2025, no confirmed incidents related to product safety, no product recalls, and no regulatory complaints due to safety-relevant product defects were recorded.

In Practice: Pilot Projects Post-Industrial and Post-Consumer Recycling

In the reporting year 2025, a key focus was on advancing concrete circular economy projects. We pursued two approaches for returning textile fibers into the production cycle.

In post-industrial recycling, cutting waste from Indian textile production is mechanically recycled and reprocessed into yarns and fabrics. After several years of development, recycled cotton fibers were successfully used for the first time in various merchandise items in 2025. Concurrently, development began on corresponding materials for workwear. In collaboration with a major client, we are also developing a concept for post-consumer recycling of worn-out workwear. The initial process steps were launched at the end of 2025 together with recycling partners from the Netherlands and Bangladesh. Operational implementation will continue in 2026.

Both approaches aim to gradually reduce the use of primary fibers while ensuring high product quality. However, developing circular products remains associated with technical, economic, and organizational challenges. These include, among others, fluctuating material properties of recycled fibers, a lack of economies of scale to date, and existing certification systems that only partially reflect innovative recycling approaches.

The further development of our circular economy takes place in close collaboration with external partners along the entire value chain. This includes, among others, recycling mills, spinning mills, and garment manufacturers in Europe and Asia. Furthermore, we maintain continuous professional exchange with industry initiatives, associations, research institutions, universities, and providers of innovative recycling technologies. As part of our membership in Textildialog (formerly Partnership for Sustainable Textiles) and at industry events, we exchange views on challenges, learning experiences, and best practices. At the same time, we work closely with our customers to raise awareness about product lifespan, end-of-life, and circular economy, and to jointly develop concrete second-life and recycling solutions.

Despite the existing challenges, we see significant potential in the circular economy to keep textile resources in circulation over the long term and gradually reduce the use of primary raw materials.

Figure: Mood Image BRANDS Fashion

Figure: Re_Source Collection BRANDS Fashion

Resource Use and Waste Management (VSME paragraph 38)

Resources

The main raw materials for our products are cotton and polyester. The quantities of materials used are recorded via our ERP system and regularly evaluated. The analyses serve to control material usage and continuously increase the share of sustainable materials. Certified materials, for example according to the Global Organic Textile Standard (GOTS), the Global Recycled Standard (GRS), or Fairtrade, are recorded along the supply chain in accordance with the respective requirements and verified via accompanying certificates of origin.

In the reporting year 2025, approximately 9,000 tons of raw cotton and 1,300 tons of polyester were processed. The proportion of organically grown cotton rose to 77% of the total cotton volume (2024: 69%). Another 7% came from cotton in the conversion phase to organic farming (2024: 17%). In addition, approximately 810 tons of Fairtrade-certified raw cotton were used, representing 9% of the total cotton volume (2024: 15%).

The proportion of recycled fibers in the polyester used was 14% (2024: 18%). Of these recycled polyester fibers, 46.35% originated from supply chains certified according to recognized standards, such as the Global Recycled Standard (GRS). Based on total polyester consumption, this corresponds to a share of 6.70%. Not all materials procured accordingly are marketed as certified end products.

Waste

As a non-manufacturing company, only non-hazardous waste is generated at our Buchholz location. This consists predominantly of packaging materials such as polybags, paper bands, and transport cartons. Waste quantities are determined based on container volumes, emptying intervals, and data provided by our waste disposal service providers. The mass data are calculated using the conversion factors from the European Waste Catalogue (EWC).

Our goal is to avoid waste wherever possible and to ensure that any remaining waste is subjected to high-quality recovery. At the site, waste is collected separately and directed to proper recovery or disposal. In addition, we regularly raise awareness among our employees regarding waste avoidance and waste separation. Information materials on waste sorting support resource-efficient handling of waste in daily operations.

Metric	2025
Hazardous waste	0 t
Non-hazardous waste	20.14 t
Total waste generated	20.14 t
Total waste volume	136.17 m³

Table: Waste

In Practice: Packaging

A group-wide guideline applies to product packaging, which is oriented toward the 3R principle (Reduce, Reuse, Recycle). The objective is to reduce packaging volumes, minimize material diversity, and preferably use recycled and recyclable materials. Composite materials are avoided where technically feasible. Instead, we primarily use paper packaging from sustainable sources and polybags with a high proportion of recycled plastic. In recent years, numerous plastic bands have been replaced by paper bands, further reducing plastic consumption.

All packaging placed on the market is systematically recorded in the ERP system and licensed in accordance with legal requirements. Reported packaging quantities are audited externally on an annual basis. Together with our customers and suppliers, we continuously develop our packaging solutions to reduce material usage, improve recyclability, and expand the use of recycled materials.

Figure: Hangtag BRANDS Fashion

SOCIAL

Workforce – General Characteristics (B8)

Workforce – General Characteristics (VSME B8, paragraphs 39–40)

During the reporting period, BRANDS Fashion GmbH employed an average of 76.66 full-time equivalents (FTEs). All employees had permanent employment contracts.
Of the total 79 employees, 54 were female and 25 were male. Employees with a non-binary gender identity or those who did not specify their gender were not recorded during the reporting period.

Employee turnover for the reporting year was 10.8%. On average, 2.77 FTEs were on parental leave.

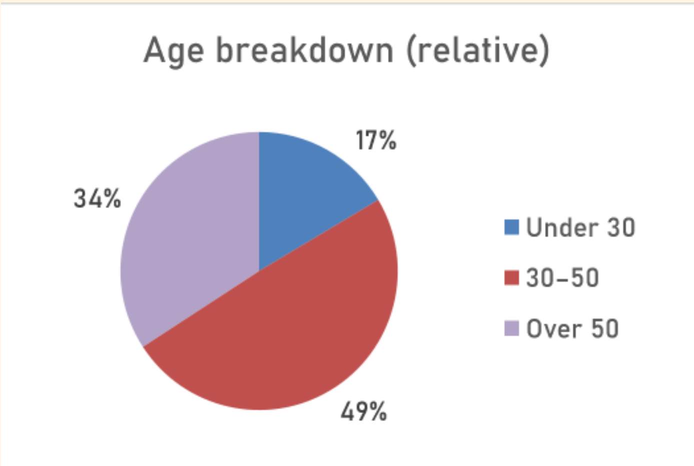


Figure: Age Structure 2025

Additional (General) Workforce Characteristics (VSME C5, paragraphs 59–60)

During the reporting period, three self-employed individuals worked exclusively on behalf of BRANDS Fashion GmbH. They did not employ any other staff. Temporary agency workers were not used during the reporting year.

Workforce – Health and Safety (VSME B9, paragraph 41)

No recordable work-related accidents occurred at BRANDS Fashion GmbH during the reporting year. Consequently, the accident rate was zero work-related accidents per 100 full-time equivalents (FTEs). There were also no fatalities resulting from work-related injuries or work-related ill health.

Additional own workforce information – Human rights policies and processes (VSME C6, paragraph 61)

BRANDS Fashion maintains a Code of Conduct and supplementary policies on respect for human rights for its own workforce, which form part of our Declaration of Principles. These are aligned with internationally recognized standards and define binding requirements for a responsible and ethical working environment.

The Code of Conduct includes, among other things, prohibitions on child labor, forced labor, and human trafficking; protection against discrimination; measures for preventing work-related accidents; and further labor and human rights-related requirements. In addition, the policies address topics such as freedom of association and collective bargaining, fair wages and working hours, legally binding employment contracts, gender equality, rights of local communities and indigenous peoples, requirements for private and public security personnel, integrity, and data protection.

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

BRANDS Fashion provides different anonymous reporting channels for various stakeholder groups. For its own employees, in addition to the channels provided by the Whistleblower Protection Act, internal reporting pathways are also available. The internal feedback management focuses on ideas, suggestions, and improvement proposals for daily work operations. The responsible Feedback Officer can be reached via an email address as well as through a contribution form on the intranet.

In addition, an external law firm is available as an independent reporting body for confidential or critical reports.

During the reporting year, two submissions were received via the internal feedback management system. These concerned organizational improvements in daily work operations and potential opportunities to reduce energy consumption in the office. One proposal has already been implemented, while the second was still under review as of the reporting cutoff date. Since the introduction of feedback management in December 2021, a total of 85 submissions have been received. Approximately 60% of these reports have already been implemented or are included in long-term planning.

Severe Negative Human Rights Incidents (VSME C7, Para. 62)

No confirmed severe negative human rights incidents related to our own workforce were identified during the reporting period.

Since the most significant human rights risks arise from our business model within global value chains, we will supplement the reporting with relevant information from the supply chain over time.

Results of Social Audits (Supply Chain)

During the reporting year, a total of 75 social audits (2024: 111) were conducted at our active tier-1 suppliers. Of these, 56 were based on the amfori Business Social Compliance Initiative (BSCI), and 19 were Sedex Members Ethical Trade Audits (SMETA). Thus, 100% of active suppliers held at least one valid social audit, with some holding multiple audits simultaneously.

The evaluation of overall grades (see figure) shows that no supplier received a rating of "insufficient." Particularly critical issues such as freedom of association, child labor, forced labor, and precarious employment were consistently rated with the highest grade A.

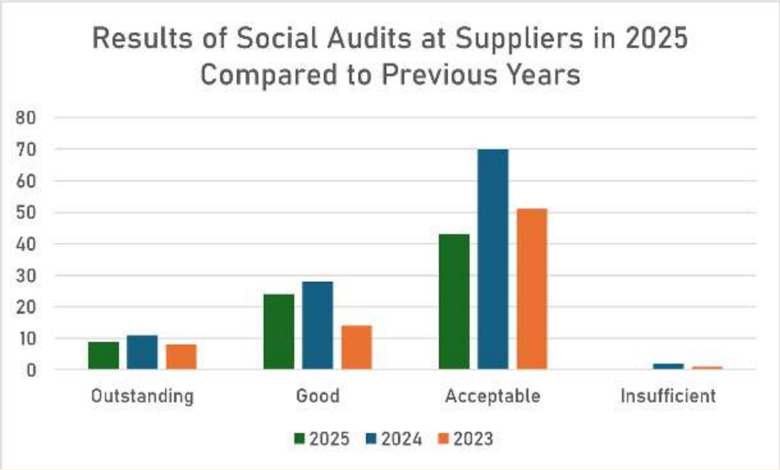


Figure: Results of Social Audits at Suppliers 2023–2025

Challenges in implementing social management systems persist across our sourcing countries, particularly with regard to worker participation. Audit reports frequently note that worker representation and, consequently, the employees' perspective are not sufficiently integrated into corporate processes. Another recurring theme in audits is overtime. Its assessment depends heavily on the respective national legal framework and must be evaluated within the country-specific context. For instance, while a standard 40-hour workweek applies in China, 48 hours is common in many other production countries. Comparable actual working hours can thus lead to different audit ratings. Our primary focus remains that overtime is recorded transparently, complies with legal requirements, and occurs on a voluntary basis. Challenges also persist in the area of wages. Although an increasing number of factories are calculating or assessing living wage benchmarks, concrete long-term implementation plans are often still lacking. Additionally, deficiencies related to missing or delayed payment of social security contributions continue to occur.

Positive progress has been made in occupational health and safety. Most facilities received ratings of A or B. Deviations typically involve failure to wear personal protective equipment or lack of medical examinations. In Bangladesh, serious safety defects have become less frequent due to the ACCORD, and safety awareness is improving in Pakistan as well. One isolated case in Turkey received a D rating because, despite handling hazardous chemicals, no eyewash station was available.

To ensure systematic follow-up of identified deviations, we require our suppliers to develop Corrective Action Plans (CAPs). These documents outline the planned measures to address identified non-conformities, assign responsibilities, and set implementation deadlines. CAPs serve as a central tool for us to translate audit results into concrete improvement actions and to track their implementation.

In the reporting year, 53% of our suppliers either achieved good audit results or submitted satisfactory corrective action plans. 7% submitted inadequate action plans, while 40% did not submit any CAP during the review period. Analyzing these metrics supports us in evaluating the progress of our prevention and improvement initiatives and identifying specific areas where support is needed.

Although the quality of corrective action plans has improved for many suppliers, challenges remain. Particularly smaller facilities often lack sufficient human resources to systematically develop measures and continuously monitor their implementation. Furthermore, our influence is limited when we represent only a small portion of production capacity at individual manufacturing sites and other customers do not impose comparable requirements.

To communicate our expectations regarding corrective actions in a timely and binding manner, we have made the development of CAPs an integral part of our Supply Chain Code. This ensures transparency about our requirements from the outset of business relationships and strengthens continuous improvement among our suppliers.

As part of a pilot project, social audit monitoring was expanded for the first time to tier-2 facilities. By tier 2, we refer to the fabric production process and wet processing steps. Four wet processing facilities were integrated into amfori's monitoring program. One facility was audited in 2025 with a rating of B, while three others already held a 2024 audit with the same rating and are scheduled for re-audit in 2026. The expansion of monitoring to further supply chain levels will continue in 2026.

Supply Chain Grievance Mechanisms

As a member of amfori, a functioning internal grievance mechanism is a fundamental prerequisite for collaboration with our suppliers. Most production facilities have a feedback box in place. Received complaints are handled by an elected grievance committee. During our supplier visits, we regularly verify on-site implementation, review complaint registers, and exchange views with responsible persons regarding the handling of grievances. In the reporting year, 100% of our active tier-1 suppliers had an internal grievance mechanism.

Figure: Feedback box at a supplier of BRANDS Fashion

Furthermore, we collaborate with various independent external mechanisms, so-called "back-up" grievance channels. These serve as an additional safety net should internal operational mechanisms prove insufficient or if employees prefer not to use them. The main complaint channels are presented below.

Mechanism	Region	Topics	Eligible Users
International Accord	Bangladesh, Pakistan	Occupational health and safety (extension to additional labour standards in progress)	Tier 1 workers and their representatives
amfori Speak for Change	Bangladesh, Türkiye, partly India	Labour standards and human rights, environment, integrity	Affected supply chain stakeholders and their representatives
Fair Wear Foundation*	India, Türkiye, China	Labour standards and human rights	Workers at Fair Wear factories (tier 1) and their representatives
BRANDS Whistleblower	Global	German Whistleblower Protection Act (HinSchG), labour standards and human rights, environment, integrity	Affected value chain stakeholders and their representatives

Table: Overview of Grievance Mechanisms

**Note: BRANDS is not itself a member of the Fair Wear Foundation but implements the mechanism on behalf of a client in nominated factories.*

Effectiveness of Grievance Mechanisms

To continuously evaluate the effectiveness of our grievance mechanisms, we conduct an annual gap and effectiveness analysis. This is based on supplier questionnaires, audit reports, and insights gained from the practical use of complaint channels. We primarily focus on mechanisms provided or actively supported by us, while also considering other complaint channels operated by companies or initiatives, provided their effectiveness is demonstrable.

In 2025, 56% (2024: 44%) of our active tier-1 suppliers had at least one external grievance mechanism whose effectiveness we assessed positively. This increase is primarily attributable to the phased implementation of the International Accord mechanism in Pakistan.

Measured by the number of workers, 89% (2024: 69%) had access to an effective external grievance mechanism. The difference between this figure and the percentage of suppliers arises because the predominantly larger production facilities in Bangladesh are almost entirely covered by the Accord, whereas smaller production facilities in China have had limited access to comparable independent grievance mechanisms thus far. Additionally, shifts from large to small facilities can result in fluctuations. Our goal is for all employees to be able to raise complaints without fear of retaliation. The largest remaining gap continues to exist in China. Due to the local legal framework, the establishment of independent grievance mechanisms is only partially feasible. In collaboration with other companies and initiatives, we are working on alternative approaches to gradually expand access to effective complaint channels.

Figure: Interview with employee representatives at a BRANDS Fashion supplier

Received Complaints and Remedial Actions

In 2025, a total of nine complaints were received. One complaint was subsequently found to relate to another production facility and was referred to the relevant body. Consequently,eight complaints considered admissible were processed. All complaints were submitted through the International Accord in Bangladesh.

All complaints concerned the topic of wages and social benefits. These included cases related to maternity protection, wage continuation following a work-related accident, outstanding wage payments during disciplinary proceedings, and delayed wage and bonus payments upon termination of employment. The complaint regarding maternity protection was also the sole gender-specific complaint reported in the reporting year.

Received complaints were addressed through various remedial measures. These included, in particular, the payment of outstanding wages and social benefits, the clarification of labor law matters between employees and factory management, raising awareness among responsible parties regarding legal requirements, and the development of joint solutions for structural issues in individual production facilities. At the time of reporting, one complaint was still under processing, while all others had been successfully resolved.

One case concerned a female employee's legally mandated entitlements during pregnancy and maternity leave. The investigation revealed that the relevant staff at the production facility were insufficiently familiar with legal requirements. Following appropriate training, the employee received all outstanding payments and resumed her work.

Another case was linked to a financial crisis affecting a production partner. Since the unpaid wages impacted the entire workforce, the complaint was not handled in isolation but within the broader context. In collaboration with other customers of the production facility, a payment plan was developed to ensure the phased disbursement of outstanding wages. At the same time, employees were offered the opportunity to transfer to another production site of the company.

Learning and Development

The handling of complaints provides valuable insights for further developing our due diligence obligations. As the International Accord is gradually extended to additional labor standards, increasing attention must be given to how various external complaint mechanisms can be effectively used in parallel in the future. A final assessment of the coexistence of the International Accord and amfori Speak for Change in Bangladesh will only be possible after the full implementation of the expanded mandate.

The introduction of the International Accord in Pakistan also demonstrates that trust is a critical success factor for the utilization of complaint mechanisms and can only be built over the long term through continuous training and follow-up measures. At the same time, we do not automatically interpret the absence of complaints as a positive signal. What matters most is that employees have confidence in existing systems and are willing to use them when necessary. During visits to long-standing production partners, we observed robust internal complaint systems with documented resolution processes. External complaint mechanisms remain an important independent safety net. High turnover rates in many production facilities further complicate sustainable trust-building and underscore the importance of continuous awareness-raising and strong worker representation. The response to a financial crisis at a production partner has shown that complaints related to structural issues must not be viewed in isolation but must take into account their impact on the entire workforce.

Training & Capacity Building for Suppliers

In the 2024 Sustainability Report, we already reported on our joint project to strengthen grievance mechanisms in cooperation with Textildialog as well as the non-governmental organizations FEMNET and Cividep. In the reporting year 2025, refresher training was conducted at two of the three participating production sites to deepen the content conveyed in the previous year. As in the previous year, the training sessions were held separately for management and employees. The participating production sites provided consistently positive feedback on the training.

The training at one production site revealed that the internal compliance committee did not yet include an independent external member. With support from the training team's network, a suitable external member was identified, enabling the committee to hold its first meeting in July 2025 with the participation of an external member. This further strengthened the independence and effectiveness of the grievance mechanism.

Figure: Trainings conducted by Cividep, © Sags Apparels Ltd.

At one production site, it became evident that language barriers faced by migrant workers could hinder access to information and grievance mechanisms. As a response, we developed a questionnaire on responsible recruitment processes and conducted spot checks on employment contracts. The results confirmed compliance with legal requirements. At the same time, responsible recruitment was integrated into our ongoing risk assessment and catalogue of measures.

Additionally, our suppliers utilized the training offerings of the amfori Academy.
In the reporting year, 45 training sessions were completed, of which 25 focused on gender equality and the prevention of gender-based violence.
As part of the International Accord, an additional 17 trainings on occupational safety were held in Bangladesh.

In 2025, a long-term remediation process was also concluded, stemming from a complaint lodged in the previous year. Over several months, an experienced training team accompanied the affected production site in revising policies, training management, and establishing an internal training team. The goal was to permanently embed discrimination-sensitive structures within the site and enable the independent conduct of future trainings.

The process was successfully completed in May 2025. Although the production site was no longer an active business partner of BRANDS at the time of the complaint, the collaboration with the other involved companies and the training team provided valuable insights for further developing our own processes regarding complaints, remedial actions, and capacity building.

In Practice: Insights from the Green Factory in Tirupur

As part of a joint visit to our production partner SAGS Apparels in Tirupur, India, a so-called 'Hero Story' was created and published on Fairtrade Germany's blog in April 2025. The following paragraph is based on this publication and has been summarized and editorially adapted for this report.

An example of the people behind our supply chains is Vijayalakshmi Muthu, who has been working at SAGS Apparels in the Green Factory for approximately ten years. Now 35, she began her career after responding to a job advertisement in her neighborhood and is currently employed in quality assurance, where she verifies that manufactured products meet the quality requirements of their respective export markets.

SAGS Apparels operates under standards such as the Fairtrade Textile Standard and processes Fairtrade cotton. These standards promote safe working conditions, protection of labor rights, and the gradual implementation of living wages. According to Vijayalakshmi, additional benefits such as an on-site nurse, a women's rest area, a cafeteria, and an on-site kindergarten contribute to a positive work environment. She particularly values the stability of her job and the regular payment of her salary.

For Vijayalakshmi, her employment means far more than a regular income. It enables her to provide her children with a good education and give them better long-term prospects.

Source: Fairtrade Germany, Blog Post 'Hero Story from the Green Factory India', April 2025

Images: Vijayalakshmi Muthu & Supplier Sags Apparels (©Fairtrade Germany)

Workforce – Remuneration, Collective Bargaining and Training (VSME B10, Para. 42)

Remuneration

All employees of BRANDS Fashion GmbH receive remuneration that meets or exceeds the applicable statutory minimum wage. Collective bargaining agreements do not apply within the company.

The average unadjusted gender pay gap amounted to 27.7% in the reporting year. At the administrative level, it was 22.2%, and at the middle management level, it was 35.5%. As this is an unadjusted figure, the metric does not account for differences in role, professional experience, qualifications, or scope of responsibility, nor does it reflect the distribution of women and men across different functional and hierarchical levels.

The reported pay gap is primarily attributable to the unequal distribution of women and men in roles with differing levels of responsibility and remuneration.

Average Unadjusted Gender Pay Gap	2025
Administrative employees	22,2
Middle management	35,5
Total workforce	27,7

Figure: Employees of BRANDS Fashion GmbH

Continuing Education & Career

The continuous professional development of our employees is a core component of our human resources strategy. Our objective is to strengthen technical competencies, promote individual development opportunities, and prepare staff for future requirements. Managers support their teams through regular feedback and development discussions, as well as via tailored further training measures.

During the reporting year, two employees (one woman and one man) were promoted internally. Three employees transferred to other departments, including two apprentices. Fostering internal development opportunities helps retain expertise within the company and creates long-term career prospects.

4 QUALITY EDUCATION

5 GENDER EQUALITY

In 2025, all employees participated in training on the use of artificial intelligence (AI). Another key focus was health and occupational safety. All employees completed online training provided by the German Social Accident Insurance Institution for Trade and Goods Logistics (BGHW) regarding workplace-specific risks, such as ergonomic work at computer workstations and the prevention of tripping, slipping, and falling accidents. Employees also received role-specific professional training relevant to their respective areas of work.

Sustainability is also an integral part of our continuing education offerings. During Fair Week, the sustainability department conducted company-wide training sessions on current sustainability topics. Furthermore, our employees can participate twice a year in the digital health days organized by the Techniker health insurance company (Krankenkasse). This series of events provides practical guidance on physical and mental health and supports healthy working routines.

Average Training Hours per Employee	
Total	6,68
Women	8,06
Men	3,66

Table: Training Hours 2025

In Practice: Internal Sustainability Workshops

During the “fair week” we conduct annual internal sustainability workshops for our employees. In the reporting period, several workshops took place between October 28 and 30. Key topics included the EU Ecodesign Regulation, PFAS, our project "From Field to Fanshop," and responsible procurement practices. Additionally, a guest speaker from the Jebsen & Jessen Group presented the group's ESG strategy and its implementation across various business units.

These workshops enhance understanding of regulatory developments and sustainable corporate processes, supporting our employees in integrating sustainability aspects into their daily work. At the same time, they strengthen cross-departmental exchange and contribute to further developing sustainability as a core component of our corporate culture.

Figure: Fair Week 2025

Employee Benefits

Attractive working conditions include not only fair remuneration but also a wide range of additional benefits that support our employees in their daily work. These offerings cover areas such as health, mobility, retirement planning, and flexibility. In addition to these financial and organizational measures, we foster cohesion and cross-departmental exchange through joint events and team activities. They contribute to an open corporate culture, a positive working environment, and strong employees' sense of belonging to the company.

Our annual Christmas party and summer festival are established company events that bring together employees from across departments. During the reporting period, various team-initiated initiatives were launched, such as a shared Advent lunch break, which promoted informal interaction in daily work. Additionally, each department receives an annual team-building budget that can be flexibly used for joint activities, further strengthening team cohesion.
The following illustration provides an overview of selected benefits for our employees.

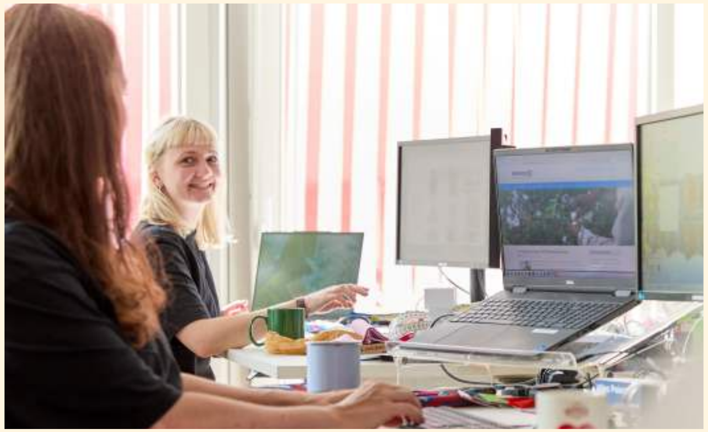


Illustration: BRANDS Fashion GmbH Employees

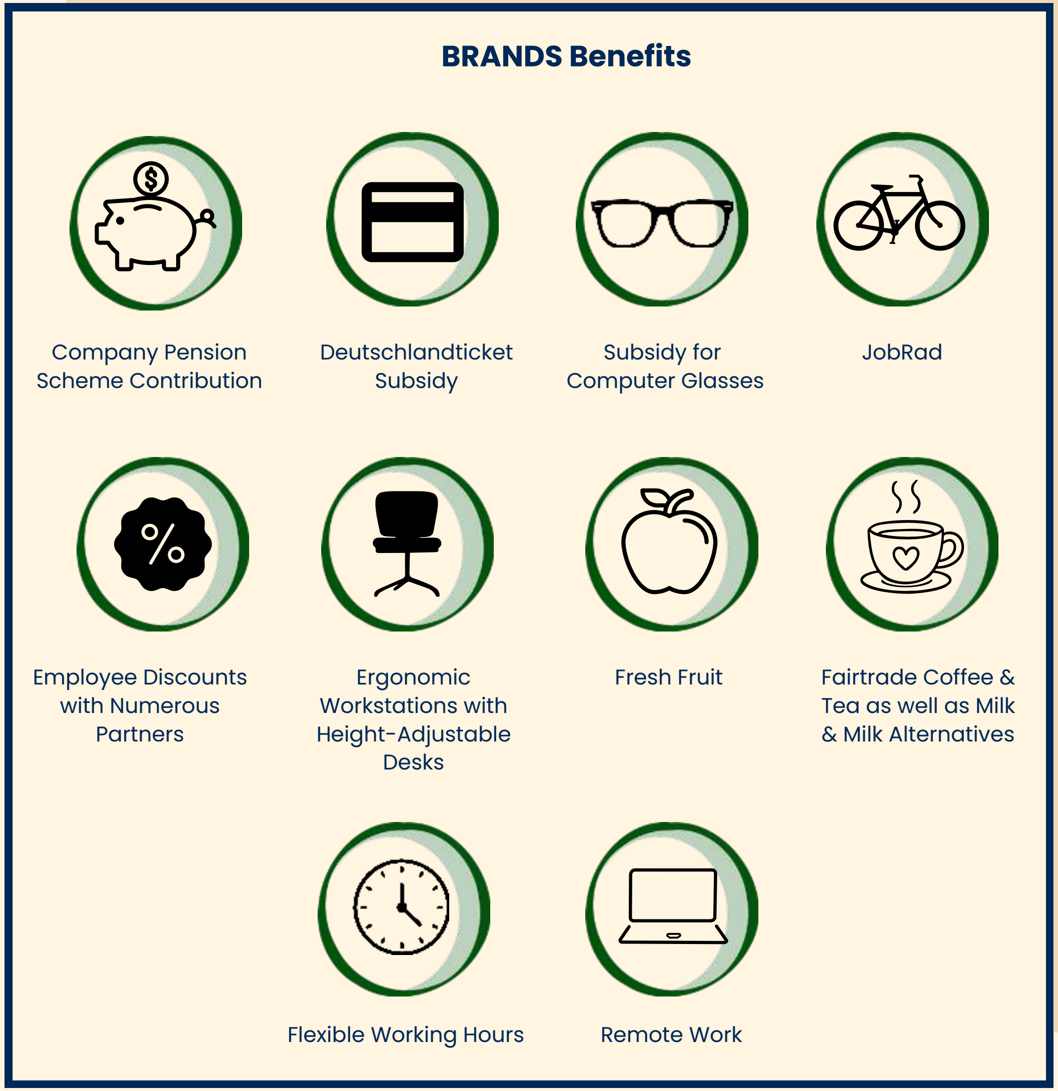


Illustration: Employee Benefits

Training

The training and development of young talent is a key component of our human resources strategy. We aim to provide trainees and dual-study students with early access to professional and personal development opportunities, fostering long-term commitment to our company.

In the 2025 reporting year, four trainees and dual-study students successfully passed their final examinations, including two specialists in wholesale and foreign trade management, one e-commerce merchant, and one dual-study student in business administration. Subsequently, three alumni were offered permanent employment contracts. Another dual-study student successfully completed their intermediate examination and will continue their studies in 2026.

We also actively support international experiences. Two trainees received the Europass Mobility certificate in the reporting year for a successful internship abroad in Malta. This certificate documents the professional and personal competencies acquired during the internship and ensures comparability across Europe.

Figure: Mood image BRANDS Fashion

Figure: Employee and former BRANDS Fashion trainee

To foster knowledge exchange across departments, the intranet format "Department Hopper" was launched in 2025. In this initiative, our trainees regularly report on their current tasks, experiences, and projects within various business areas of the company, providing valuable insights into their training programs.

In addition, we are committed to recruiting future talent. During the reporting year, BRANDS was represented at the Empore Apprenticeship Fair and participated in the nationwide “Future Day” event. Ten students gained insights into diverse business areas ranging from logistics, quality assurance, and product development to sustainability, while learning about the varied training and career opportunities available at BRANDS.

GOVERNANCE

Convictions and fines for corruption and bribery (B11)

BRANDS Fashion adheres to a consistent zero-tolerance policy regarding corruption and bribery. Integrity, transparency, and fair competition are core principles of our corporate conduct and are enshrined in our statement of principles.

Reports of potential violations of legal requirements or internal guidelines can be submitted through various complaint and reporting channels. Among other channels, a whistleblowing system is available on our website, enabling confidential and, upon request, anonymous reporting via an external reporting body. The system serves to detect and investigate potential violations at an early stage, particularly those related to corruption, fraud, or bribery.

In the reporting year 2025, no reports concerning corruption or bribery were received via the whistleblowing system or other reporting channels. Accordingly, no investigations were initiated. There were no confirmed cases of corruption, nor any convictions or fines resulting from violations of anti-corruption or anti-bribery regulations.

The training sessions on corruption prevention conducted in the previous year were not repeated in the reporting year. Refresher and awareness-raising measures are carried out as needed.

Information Security

The protection of information and corporate data is an important part of our governance framework. In the reporting year, no information security incidents were identified. No training on information security took place in 2025.

Figure: BRANDS Fashion GmbH Headquarters

Final Notes

This Sustainability Report 2025 was prepared based on the VSME standard issued by EFRAG. The report also includes selected information that goes beyond the VSME requirements. This additional information is intended to provide key sustainability topics, ensure continuity with prior reporting practices, and address relevant external requirements. This approach ensures that the report meets both the VSME requirements and the essential information needs of other stakeholders.

AI-assisted tools were used during the preparation and linguistic review of this report. Their use focused primarily on structuring content, optimizing language, and ensuring quality. All reported information, figures and statements were reviewed and validated by BRANDS Fashion GmbH.

SUSTAINABLE DEVELOPMENT GOALS

Overview and Rationale for the Assigned Sustainable Development Goals (SDGs) - I

- 1 No Poverty
- 2 Zero Hunger
- 3 Good Health and Well-being
- 4 Quality Education
- 5 Gender Equality
- 6 Clean Water and Sanitation
- 7 Affordable and Clean Energy
- 8 Decent Work and Economic Growth
- 9 Industry, Innovation and Infrastructure
- 10 Reduced Inequalities
- 11 Sustainable Cities and Communities
- 12 Sustainable Consumption and Production
- 13 Climate Action
- 14 Life Below Water
- 15 Life on Land
- 16 Peace, Justice and Strong Institutions
- 17 Partnerships for the Goals

Paragraph(s)	Goal	Rationale
Product and Sustainability Standards	12	Our product and sustainability standards support more sustainable materials and production practices.
Sustainability Initiatives	17	Through our memberships, we engage with various stakeholders on sustainability topics and actively work together to develop solutions.
Successful Re-Audit under Green Button 2.0, Level B	8	The Green Button audit confirms the further development of our human rights due diligence processes.
	12	The Green Button audit confirms that our management processes support more responsible textile production.
Gender Diversity in the Governing Body	5	The transparent disclosure of gender distribution within the Management Board and first management level, as well as our stated objective of maintaining and further developing diversity in leadership roles, support equal participation in leadership and decision-making positions.
Share of Sustainable Articles & Certified Articles and Customers	12	The share of certified articles supports more sustainable material and production decisions.
Trip to India with Our Customers & Project Partners	17	Together with our customers, we are working to implement sustainable cotton supply chains in India by supporting cotton in conversion to organic farming.
Expanding Sourcing in Pakistan	8	The risk-based expansion of sourcing in Pakistan and participation in the Pakistan Accord support improved occupational and building safety as well as decent working conditions.
Sustainability Strategy	8	Our sustainability strategy places human rights due diligence at its core, thereby supporting decent working conditions in the supply chain.
	12	Our sustainability strategy promotes more sustainable production patterns through sustainable materials, certified products and circular economy approaches.
	17	Our sustainability strategy is based on collaboration with customers, suppliers, initiatives and other partners.

SUSTAINABLE DEVELOPMENT GOALS

Overview and Rationale for the Assigned Sustainable Development Goals (SDGs) - II

paragraph(s)	Goal	Rationale
Policy Statement	8	The Policy Statement establishes binding requirements regarding human rights, working conditions and responsible conduct in our own business activities and supply chain.
	16	The Policy Statement addresses integrity, corruption prevention, grievance mechanisms and responsible business practices.
Risk Analysis, Measures and Monitoring	8	Through risk analysis, monitoring and the recording of relevant incidents in our supply chains, we can derive targeted measures to mitigate and prevent adverse impacts.
Supplier Selection, Assessment and Performance Monitoring	8	Sustainability criteria are incorporated into the selection of new production partners and support better working conditions.
	12	Environmental requirements, wastewater testing and product certifications are taken into account in sourcing decisions.
Responsible Purchasing	8	The supplier survey and implementation of the CFRPP help to make purchasing practices and supplier relationships fairer and more reliable.
	17	Dialogue with suppliers and the joint development of purchasing practices strengthen collaboration along the supply chain.
Strategy for Promoting Living Wages	1	Promoting living wages and reliable incomes in the supply chain can help reduce the risk of poverty for workers and their families.
	8	Wage gap analyses, the Fairtrade Textile Standard and the further development of responsible purchasing practices promote living wages in the supply chain.
Regulatory Developments and Reporting	12	By implementing reporting in accordance with the VSME standard, we contribute to Target 12.6 on sustainability reporting.
Description of Practices, Policies and Future Initiatives for the Transition towards a More Sustainable Economy		For better clarity, no separate SDG reference is provided in this paragraph. The measures are assigned to the relevant SDGs in the respective chapter

paragraph(s)	Goal	Rationale
"From Field to Fan Shop" enters Its Second Project Phase and Receives the SDG Innovation Award	1	The project strengthens the economic resilience of smallholder cotton farmers through organic farming, diversification and more reliable market access.
	4	Training and educational activities provide knowledge on agriculture, health, gender equality and children's rights.
	10	The project strengthens the participation of smallholder cotton farmers and local communities and can thereby reduce social and economic inequalities in the value chain.
	12	Promoting organic cotton farming and sustainable material cycles supports more responsible production patterns.
	15	Promoting organic cotton farming supports soil-friendly farming practices, improvements in soil fertility and the protection of biodiversity.
	17	BRANDS Fashion collaborates with GIZ, Fairtrade Germany, football clubs, agricultural organisations and local partners.
Stakeholder Interviews	17	Feedback from Fairtrade Germany and SAGS Apparels is incorporated into the further development of our sustainability strategy and thereby supports the joint development of sustainable solutions along the textile value chain.
Energy Consumption	7	Green electricity, photovoltaics and the use of renewable energy support a more sustainable energy supply.
Greenhouse Gas Emissions, Intensity and Reduction Targets as well as Emission Reduction Measures	13	The systematic recording of our greenhouse gas emissions and emission intensity, the definition of reduction targets and the implementation of specific measures to reduce Scope 1, Scope 2 and Scope 3 emissions support the continuous reduction of our climate-related emissions along the value chain.
Pollution of Air, Water and Soil	12	Chemicals management, ZDHC requirements, wastewater monitoring and the substitution of critical chemicals help reduce pollution of air, water and soil along the supply chain.

SUSTAINABLE DEVELOPMENT GOALS

Overview and Rationale for the Assigned Sustainable Development Goals (SDGs) - III

paragraph(s)	Goal	Rationale
Biodiversity	15	Nesting boxes, near-natural green spaces and insect-friendly planting at the company site can support local habitats and contribute to biodiversity. The use of organically produced fibres and the promotion of soil-friendly farming practices can help reduce adverse impacts on soils, land use and biodiversity.
Water	6	Rainwater use, water-saving production processes and Zero Liquid Discharge systems support more responsible use of water resources and the protection of natural water bodies.
Circular Economy & Post-Industrial and Post-Consumer Recycling Pilot Projects	9	The development of circular product concepts and the testing of new recycling processes promote innovation for a more resource-efficient textile value chain.
	12	Design4Circularity, recycled fibres, and post-industrial and post-consumer recycling promote the reuse of materials and reduce the use of primary raw materials.
Resource Use, Waste Management & Packaging	12	Recording and reducing resource consumption, as well as waste separation, recovery and recyclable packaging, support a resource-efficient circular economy. The 3R packaging policy (Reduce, Reuse, Recycle) aims to reduce packaging volumes and material diversity and to increase the use of recycled and recyclable materials.
Workforce	8	Transparent disclosure of the workforce structure, employment relationships and occupational accidents provides transparency regarding the conditions of our own workforce.
Human Rights-related Policies & Processes	8	Human rights-related policies & processes establish requirements regarding labour rights, equal treatment, occupational health & safety, and the prohibition of child/forced labour within the company and the supply chain.
	16	The internal feedback management system and confidential grievance channels enable employees and other affected stakeholders to submit concerns and contribute to improving processes.

paragraph(s)	Goal	Rationale
Social Audit Results (Supply Chain)	8	Social audits assess labour rights, working hours, wages, freedom of association, child and forced labour, as well as health and safety in the supply chain, thereby supporting improvement measures.
Supply Chain Grievance Mechanisms, Effectiveness, Grievances Received and Lessons Learned	8	Grievance mechanisms and remediation measures support the enforcement of labour rights and the improvement of working conditions in the supply chain.
	16	The annual gap and effectiveness analysis and the evaluation of grievances received help improve access to effective grievance and remedy in the supply chain. The handling of grievances and implementation of remediation measures provide affected persons with access to grievance mechanisms, remedy and their rights.
Training & Capacity Building for Suppliers	8	Training and capacity building strengthen labour rights, occupational health and safety, gender-responsive structures and effective grievance mechanisms at suppliers.
Insights from the Green Factory	8	The Green Factory represents safe working conditions, labour rights, fair remuneration, as well as health and childcare services for employees.
Workforce – Remuneration	5	Transparent disclosure of the gender pay gap makes inequalities visible and provides a basis for further reducing them.
Training, Career Development & Internal Sustainability Workshops during Fair Trade Week	4	Further education, training, vocational training and internal career development promote the acquisition of professional skills and equal development opportunities. The sustainability workshops during Fair Trade Week provide employees with knowledge on sustainability, human rights, PFAS, ecodesign and responsible purchasing.
Vocational Training	4	Vocational training, dual study programmes, successful examinations and international practical experience promote the professional qualification of young people.
Convictions and Fines for Corruption and Bribery	16	Whistleblower systems, confidential reporting channels and the zero-tolerance policy on corruption and bribery strengthen ethical and responsible corporate governance.

BRANDS